Fiscal Year 2016

Comprehensive Annual Financial Report

For the Year Ended June 30, 2016

MDFB

MISSOURI DEVELOPMENT FINANCE BOARD

A Component Unit of the State of Missouri

Missouri Development Finance Board
A Component Unit of the State of Missouri

Comprehensive Annual Financial Report
For the Year Ended June 30, 2016

Prepared By The Accounting Department
Erica Griffin, CPA • Controller
Ryan Vermette • Compliance Officer

Missouri Development Finance Board
200 Madison Street, Suite 1000 • P.O. Box 567
Jefferson City, MO 65102 | 573-751-8479

www.mdfb.org

TABLE OF CONTENTS

Introductory Section

Principal Officials ... i
Organizational Chart ... ii
In Memory of Larry D. Neff ... iii
Letter of Transmittal ... iv-x
GFOA Certificate of Achievement ... xi

Financial Section

Independent Auditors' Report ... 1-2
Management's Discussion and Analysis ... 3-10

Basic Financial Statements

Government-wide:

Statement of Net Position ... 12-13
Statement of Activities ... 14-15

Governmental Fund Financial Statements:

Balance Sheets ... 16
Statement of Revenues, Expenditures and Changes in Fund Balance ... 17

Proprietary Funds:

Statement of Net Position ... 18-19
Statement of Revenues, Expenses, and Changes in Net Position ... 20-21
Statement of Cash Flows ... 22-23

Notes to Financial Statements ... 24-54

Required Supplementary Information

Pension Plan Schedules:

Schedule of Board's Proportionate Share of Net Pension Liability ... 55
Schedule of Board Contributions ... 55
Notes to the Required Supplementary Information ... 56

Supplementary Information:

Supplementary Information ... 57
Combing Schedules – Parking Garage Fund ... 58-63
Combing Schedules – Revolving Loan Fund ... 64-69

Statistical Section

Statistical Section Table of Contents 71

Financial Trends

Schedule of Net Position by Component 72-73

Schedule of Expenses by Function 74-75

Schedule of Expenses by Identifiable Activity 76-77

Revenue Capacity

Schedule of Revenues by Source 78

Schedule of Other Changes in Net Position 79

Parking Garage Space and Rate Information – Principle Parking Garage Lessees 80-81

Parking Garage Revenues – Principal Parking Garage Lessees 82

Debt Capacity

Pledged Revenue Coverage by Net Revenue Available....................83

Pledged Revenue Coverage by Parking Capacity 84

Outstanding Debt by Type 85

Demographic and Economic Information

Employment Statistics....................86

Personal Income 87

Population Statistics 88

Privately Owned Housing Units Authorized by Building Permits....................89

Major Employers....................90

Operating Information

Employee Statistics....................91

Projects Approved....................91

Capital Assets 91

Missouri Development Finance Board

A Component Unit of the State of Missouri

Comprehensive Annual Financial Report

For the Year Ended June 30, 2016

Introductory Section

Principal Officials

BOARD MEMBERS

Ms. Marie J. Carmichael, Chair
Governor-Appointed Member
Springfield

Committees
Executive, Personnel, Finance, Audit, SSGPPC Board Member

Mr. Reuben A. Shelton, Vice Chairman
Governor-Appointed Member
St. Louis

Committees
Executive, Personnel

Mr. Matthew L. Dameron, Secretary
Governor-Appointed Member
Kansas City

Committees
Executive, Personnel, Audit

Mr. John E. Mehner, Treasurer
Governor-Appointed Member
Cape Girardeau

Committees
Executive, Personnel, Finance

Mr. Kelley M. Martin
Governor-Appointed Member
Kansas City

Committees
Finance, Audit, SSGPPC Board Member

Mr. Patrick J. Lamping
Governor-Appointed Member
Barnhart

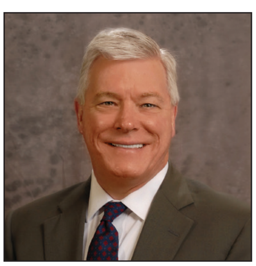
Committees
Audit, SSGPPC Board Member

Mr. Bradley G. Gregory
Governor-Appointed Member
Bolivar

Committees
Audit, Finance

Mr. Larry D. Neff
Governor-Appointed Member
Neosho

In Memoriam
2002-2016



The Honorable Peter D. Kinder Lieutenant Governor
Ex-Officio Member

Mr. Mike Downing, Director Department of Economic Development
Ex-Officio Member

Mr. Richard Fordyce, Director Department of Agriculture
Ex-Officio Member

Ms. Sara Pauley, Director Department of Natural Resources
Ex-Officio Member

Board membership consists of eight volunteer members appointed by the Governor and confirmed by the Senate, and four ex-officio members.

Organizational Chart

Robert V. Miserez
Executive Director

Erica Griffin, CPA
Controller

Ryan Vermette
Compliance Officer

Valerie Haller
Executive Assistant

Erin Carel
Accounting Clerk/Administrative Assistant

Kathleen Barney
Senior Portfolio Manager

Kimberly Martin
Finance Programs Manager

Board Counsel

David Queen
Gilmore & Bell, P.C.

Independent Certified Public Accountants

Heidi A. Chick, CPA
Williams-Keepers LLC

In Memory of Larry D. Neff

Mr. Neff was born and raised in Neosho, Missouri, and was a lifelong resident. He graduated from Crowder College and attended Missouri Southern State College. Mr. Neff served in the U.S. Navy from 1957 to 1960.

Mr. Neff owned a farm and raised beef cattle in Newton County, was a licensed Missouri real estate broker and a state-certified appraiser. He was a real estate developer and builder for the past 45 years and owned and managed more than 100 residential and commercial properties.

Mr. Neff proudly served on numerous boards and was very involved in his community. He served on the Board of Directors of Freeman Neosho Hospital for 20 years and was serving as chairman of the board at the time of his death. He also was a member of the Board of Freeman Health Systems for 19 years. In March 2016 Freeman Health System leaders announced their new CT/MRI suite would be named the Larry D. Neff CT and MRI Facility in his honor.

In 2004 Mr. Neff received the Hospital Excellence in Governance Award from the Missouri Hospital Association, was recognized as 'Citizen of the Year in 1995' by the Neosho Area Chamber of Commerce, and was a recipient of the Paul Harris Fellow award. He served on the Neosho Area Chamber of Commerce Economic Development Committee for 25 years and had served as chairman and was proud of the accomplishments achieved during his tenure. Mr. Neff also had served on the board of Neosho Savings and Loan and was instrumental in fundraising and the development of the Faithful Friends Animal Advocates Building.

Mr. Neff was appointed to the Missouri Development Finance Board in 2002 by Governor Bob Holden and served under three Governors. He was a current member and Secretary of the Board at the time of his passing.

He is survived by three sons, Larry Dean Neff, Jr., Terry Allen Neff, and Dr. Richard Simonds; three grandchildren and two great-grandchildren.

"A very dedicated Board member, a man of integrity, and a good friend to all"

Letter of Transmittal

MISSOURI DEVELOPMENT FINANCE BOARD

October 5, 2016

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) of the Missouri Development Finance Board (the Board), a component unit of the State of Missouri, for the fiscal year ended June 30, 2016. The Accounting Department prepared this report, while responsibility for both the accuracy of the presented data and the completeness and reliability of the information contained in this report, based upon a comprehensive frame-work of internal control that was established for this purpose, rests with the Board. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Williams-Keepers LLC, Certified Public Accountants, have issued an unmodified ("clean") opinion on the Missouri Development Finance Board's financial statements for the year ended June 30, 2016. The Independent Auditors' Report is located at the front of the Financial Section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the Independent Auditors' Report and provides a narrative introduction, overview and analysis of the basic financial statements. This letter of transmittal is designed to complement the MD&A and should be read with it as well.

Profile of the Government

The Missouri Development Finance Board is a "body corporate and politic" created by the State of Missouri. Its statutory citation is the Revised Statutes of Missouri (RSMo) Sections 100.250 to 100.297 and 100.700 to 100.850. The Board's primary function is to structure and participate in the financing of Missouri business and public infrastructure. The Board is a discretely presented component unit within the State of Missouri's Comprehensive Annual Financial Report.

The original development board was created by Missouri statute in 1982 as the Missouri Industrial Development Board. The current legislative authorization dates to 1993 and was the fourth major statutory change since 1982. Each of these changes resulted in increased authority and responsibility for the Board in economic development and infrastructure financing.

The Board provides a diverse array of financing programs to carry out its mission of facilitating economic and infrastructure development projects. The Board administers 10 programs and has 3 component units which correspond to its mission to benefit the citizens of the State of Missouri as follows:

Programs

1. **Revenue Bonds for Private Commercial and Nonprofit Projects**
   Pursuant to RSMo Section 100.275, the Board is authorized to issue revenue bonds for purposes permitted under RSMo Section 100.255, including the purchase, construction and improvement of facilities used for manufacturing and other commercial purposes, and for recreational and cultural facilities.

2. **Revenue Bonds for Public Infrastructure Projects**
   The Board is authorized to issue its revenue bonds to finance essential infrastructure improvements and related work for local governments, State agencies and qualified public/private partnerships.

3. **Tax Credit for Contribution Program**
   RSMo Section 100.286.6 authorized the Tax Credit for Contribution Program. Through this program, the Board is authorized to grant tax credits equal to 50 percent of contributions made to the Board. Contributions are used to pay the costs of projects approved by the Board. Per statute, during any calendar year, the Board can authorize no greater than $10 million. The limitation on tax credit authorization and approval provided under this subsection may be exceeded only upon mutual agreement, evidenced by a signed and properly notarized letter, by the Directors of the Department of Economic Development and Revenue and the Commissioner of Administration, but in no event shall authorizations exceed $25 million in a calendar year.

4. **Tax Credit Bond Enhancement Program**
   The Tax Credit Bond Enhancement Program provides a tax credit enhancement on behalf of public entities for certain bonds. This program uses the Board's bond tax credits as collateral.

5. **Direct Loan Program**
   The Direct Loan Program provides direct loans at reasonable interest rates to qualified borrowers.

6. **BUILD Missouri (Business Use Incentives for Large-Scale Development) Program**
   The BUILD Missouri Program authorized under RSMo Sections 100.700 to 100.850 is an incentive tool that allows the Department of Economic Development and the Board to finance a portion of the costs of qualifying capital investments for eligible businesses that seek to locate or expand in Missouri and create a significant number of new jobs. The incentives offered by BUILD are designed to offset infrastructure and other capital costs of certain large projects by making the cost of investing in Missouri more competitive.

7. **Missouri Infrastructure Development Loan Program (MIDOC)**
   The MIDOC Program offers long-term, low-interest loans to local political subdivisions, including public water and sewer districts, to fund infrastructure improvements. Water and sewer projects addressing public health and safety receive priority. The program is structured as a revolving loan program with repayment proceeds used to provide additional loans for eligible infrastructure projects. Interest rates are 3.0 percent with a maximum loan amount of $150,000; however, if there is a critical need and with Board approval, this maximum loan amount may be exceeded.

8. **Loan Guarantees**
   The Board is empowered under RSMo Sections 100.250 to 100.297, as amended, to guarantee loans to credit-worthy businesses which cannot otherwise obtain credit at reasonable rates and terms in order to create or retain full-time employment.

9. **Downtown Revitalization and Economic Assistance for Missouri (DREAM)**
The DREAM Initiative is a comprehensive, streamlined approach to downtown revitalization that provides a one-stop shop of technical and financial assistance for select communities to more efficiently and effectively engage in the downtown revitalization process. The DREAM Initiative is created through a partnership between the Missouri Development Finance Board, the Missouri Department of Economic Development and the Missouri Housing Development Commission. Plans for communities approved in prior year selections were completed during fiscal year 2016. No new applications are being accepted.

10. **Small Business Loan Program**
In January 2009 Governor Jeremiah W. (Jay) Nixon issued Executive Order 09-03. This Executive Order directed the Department of Economic Development to work with the Board "to create a pool of funds designated for low-interest direct loans for small businesses." In response, the Board established a $2 million loan fund. Loans are for $25,000 or less, bear interest at 3.0 percent, and can be used for capital and operating needs.

    To better utilize the program, in December 2010 the Board voted to increase the maximum loan amount to $50,000 and authorized an increase in the maximum number of employees from 5 to 15. In June 2011 the Small Business Loan Program was expanded to provide financial assistance and access to capital for businesses located in Presidentially-declared disaster areas within the state. In August 2014 this Program was further expanded to allow the use of program funds to create a loan pool, with the St. Louis Economic Development Partnership (SLEDP), that can be utilized by residents affected by the unrest in Ferguson, Missouri. This helped create a $1 million loan pool, of which $850,000 is restricted to 0 percent interest loans. SLCEDC will administer the program. Loans will be in the amounts of $2,500 to $10,000.

Component Units

1. **Missouri Community Investment Corporation (MCIC)**
The MCIC is a discretely presented component unit of MDFB. The Board members of MDFB as well as five additional members, serve as the Board for the MCIC. The MCIC is a non-profit organization established for the primary purpose to serve as a qualified community development entity (CDE) in connection with the New Markets Tax Credit Program established pursuant to Section 45D of the Internal Revenue Code of 1986 as amended. In October 2007 MCIC was notified that it would not receive an allocation of tax credits. In August 2015 the annual registration for the MCIC expired and was not renewed.

2. **Seventh Street Garage Public Parking Corporation (SSGPPC)**
The SSGPPC is a blended component unit of MDFB and is reported within the Parking Garage Fund. SSGPPC is a legally separate corporation and meets the requirement for a charitable corporation under Federal income tax section 501(c)(3). Three Board members of MDFB serve as members for the SSGPPC. The SSGPPC was established primarily to serve as a qualified active low-income business (QALICB) located in a low-income census tract as defined in Section 45D of the Internal Revenue Code of 1986 as amended. The SSGPPC is responsible for the maintenance and operations of a garage at 601 Locust Street in St. Louis, Missouri, known as the Seventh Street Garage.

3. **St. Louis Convention Center Hotel Community Improvement District/Transportation Development District Fund (SLCCH CID/TDD)**
The SLCCH CID/TDD is a discretely presented component unit of MDFB and is reported as a governmental fund. The SLCCH CID/TDD was established during the fiscal year ended June 30, 2015 to account for the operations of the CID and TDD sales tax levy (at 1.0 percent), which is utilized to benefit 800 Washington LLC and Lennox Suites, LLC in their license obligation to MDFB. MDFB uses the license payment for garage operations and maintenance of the St. Louis Convention Center Hotel Garage (SLCCHG). Four MDFB staff members serve on the Board and are responsible for monitoring district collections, paying district expenses, and collecting and transferring TIF funds to the City of St. Louis.

Economic Conditions

Per the Missouri Department of Economic Development's 2016 Missouri Economic Report, "Missouri's Gross Domestic Product (GDP) totaled, an inflation-adjusted, $261.5 billion in 2015 – a 1.3 percent increase over the previous year's $258.2 billion. Between December 2014 and December 2015, 50,000 jobs were added to Missouri payrolls – the largest year-over-year increase in ten years. Missouri's personal income grew 2 percent in 2015 and has averaged an increase of 1.8 percent from 2010 through 2015. The State's unemployment rate was 4.3 percent, as of May 2016, the lowest in eleven years. Missouri is among the most affordable states. In the 1st Quarter 2016 Cost of Living Index, Missouri has the 11th lowest cost of living. Sixteen percent of Missourians are 65 and over. An aging population also means increased social security, Medicare, and other transfer payments. Transfer payments made up 19.7 percent of Missouri's total personal income. The State has a higher labor force participation rate than the nation: 65.7 percent compared to 64.2 percent. Nationally, as well as statewide, the number of older Americans (65+) staying in the labor force is increasing. The *Food and Lodgings* sector and the *Health Care and Social Assistance* sector each added about 9,000 workers between 2014 and 2015. *Professional and Technical Services* added nearly 8,000 workers. The *Information* sector lost around 2,500 workers while *Arts & Entertainment* lost 1,600 workers. The Kansas City Region had the highest employment growth rate in 2015 (2.87 percent), adding over 14,600 new jobs. The Ozark Region and the St. Louis Region also had employment growth rates above 2 percent in 2015. Across the State, there is high demand (as measured by online job advertisements) for Health Care and Business/Sales positions. In the St. Louis and Kansas City regions, the largest demand is for Science and Technology positions."

During the fiscal year ended June 30, 2016, the Board contributed to the growth in the Missouri economy by issuing BUILD bond incentives of $20.6 million to leverage investment in Missouri of approximately $221 million, and preliminarily approved 2 issuances totaling $12.6 million to leverage $853 million in investments in Missouri. In addition, the Board approved 6 Tax Credit for Contribution projects, although conditions for final approval were only met on 5 of those projects.

The Board also participated in the refinancing of 1 public activity revenue bond issuance for the City of Independence totaling $47.06 million, and 1 private activity revenue bond for MRIGlobal totaling $18.7 million. In addition, 1 new public activity revenue bond was issued totaling $2.39 million for the City of Independence and 1 new private activity bond was issued totaling $33.8 million for the State Historical Society. The Board authorized the refinancing of 3 public activity revenue bond issuances for the City of Independence during fiscal year 2016, which were subsequently issued in fiscal year 2017, totaling $31.57 million.

Long-Term Financial Planning

In June 2016 the Board approved the operating budget for fiscal year 2017, and within the budget granted preliminary approval of the early redemption of a portion of long-term debt.

The fiscal year 2017 budget also includes capital improvements within the three parking garages to ensure the continuation of their useful lives and purposes. The improvements for the Ninth Street Garage (NSG) and the St. Louis Convention Center Hotel Garage (SLCCHG) are part of a condition assessment and 10-year capital maintenance plan put together for the Board by a professional engineering firm. This has provided the Board with a better understanding of necessary repairs and/or improvements that should be projected over the next 10 years and the expected life of those repairs.

The Board continues to evaluate the purchase option on the Old Post Office (OPO) in St. Louis. The Board acquired title to the vacant OPO in 2004 from the General Services Administration of the United States at no cost. The Board then executed a 99-year lease of the OPO with St. Louis Custom House and Post Office Building Associates LP to rehabilitate the property. Per the master lease agreement, the Board has a 2-year option to purchase the OPO leasehold interest from the OPO Master Lessee beginning December 31, 2014 at the greater of the fair market value of the leasehold interest in the property or the development debt outstanding. Only the Board or the State of Missouri is permitted to own the property. If the Board moves forward with the purchase in fiscal year 2017, there will be a significant reallocation of the Board's assets, long-term liabilities, as well as rent revenues and operating expenses.

Relevant Financial Policies

The Board has one discretely presented component unit which accounts for its activities as a governmental fund. All other Board activities are enterprise funds, a type of proprietary fund.

Proprietary funds are used to account for ongoing activities of a governmental entity that are similar to activities found in the private sector. Budgets are not required for proprietary funds in accordance with generally accepted accounting principles. Likewise, since MDFB is a legally separate entity that does not receive State appropriations, it is not required to adhere to an appropriations budget like departments within the State of Missouri. During 2006 the Board voted to establish an operating budget for the Industrial Development and Reserve Fund for fiscal year 2007 and future years as a guide to aid in the Board's planning efforts. In March 2008, in order to improve its budget efforts, the operating budget was expanded to contain a 3-year projection. For fiscal year 2013, to further enhance the budget projections, the parking garage operations were incorporated into this budget.

The Board has purchasing procedures in place to handle budgeted and unbudgeted expenses as updated in July 2015. Per Board policy, non-budgeted expenses up to $10,000 must be approved by the Executive Director, non-budgeted items over $10,000 but less than $20,000 must be approved by the Executive Director and the Controller or Senior Accountant, non-budgeted items over $20,000 but less than $50,000 must be approved by the Executive Committee, and non-budgeted items in excess of $50,000 must be approved by the full Board. All non-budgeted items must be reported to the full Board at the next meeting by supplemental schedule to the financial statements.

In January 2013 the Board amended its Investment Policy in response to a request from U.S. Bank to collateralize MDFB deposits with irrevocable standby Letters of Credit issued by the Federal Home Loan Bank. Previously, the Board's investments at U.S. Bank and other financial institutions were collateralized by federal agency discount notes. The ability to use such collateral allowed U.S. Bank and other institutions holding collateral on behalf of the Board to better meet in-house liquidity thresholds. Such collateral was deemed adequate by Board legal counsel, as well as the Missouri State Treasurer's Investment Policy for state and local government investments. A copy of this policy can be requested by contacting MDFB at *www.mdfb.org*.

The Board is a public governmental body, as described in RSMo Section 610.010(4), and therefore is subject to the Sunshine Law. In February 2005 the Board adopted an initial Sunshine Policy. In June 2014 the Board amended its policy to be more comprehensive and detailed. A copy of the revised policy can be requested by contacting MDFB at *www.mdfb.org*.

Major Initiatives

For fiscal year 2016 the Board approved in the budget a discretionary principal payment on the St. Louis Convention Center Hotel Garage bonds. This process was initiated at the end of the fiscal year with $2 million of the Series 2000C bonds redeemed in September 2016.

In an effort to ensure public safety and provide cost savings, the Board upgraded the lighting system at the SLCCHG by installing energy efficient LED lighting during fiscal year 2016. Offset by an energy efficient rebate, the new lighting improved the light output, lowered the utility cost by almost half, and is expected to reduce future maintenance costs. Due to the positive impact of this expenditure, the Board has approved lighting upgrades at the NSG during fiscal year 2017 as part of their long-term planning.

For the fiscal year ended June 30, 2016 the Board implemented GASB Statement No. 72, *Fair Value Measurement and Application*. GASB 72 requires the Board to use valuation techniques which are appropriate under the circumstances and are either a market approach, a cost approach or income approach. There was no material impact on the Board's financial statements as a result of the implementation of GASB 72.

In calendar year 2016 the Board voted to require the submission of a two-page project summary application from eligible applicants in order to apply to the Tax Credit for Contribution Program. The Board intends to use the summary application to determine which applications will be eligible to submit a final application. Summary applications must be completed and delivered to the Board by February 28th for the first funding round closing date of April 30th, and by June 30th for the second funding round closing date of August 31st. Applicants may be required to present their application to the Board or to submit additional materials.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the MDFB for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2015. This was the 16th consecutive year the Board has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a governmental entity must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

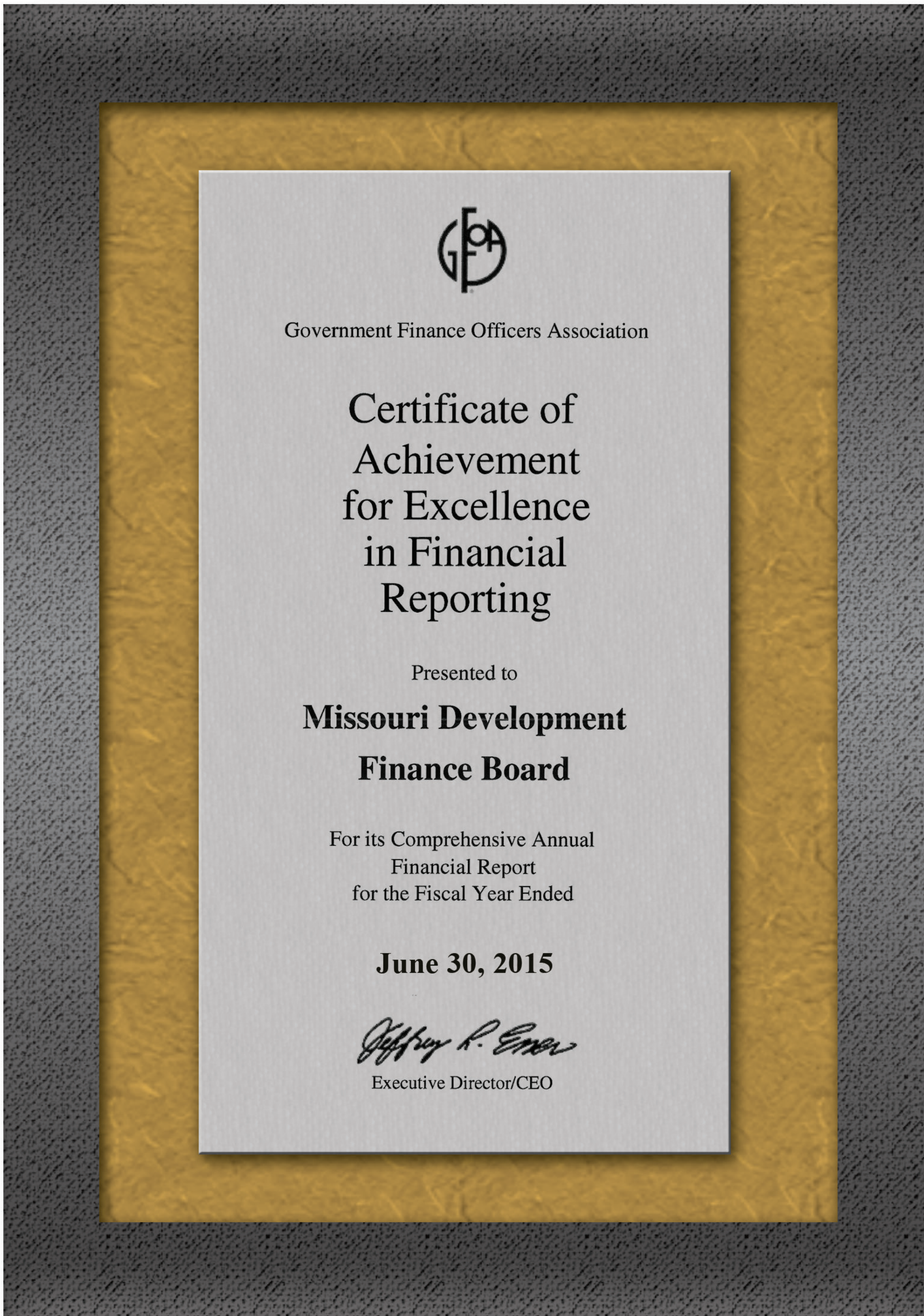
Acknowledgements

The preparation of the Comprehensive Annual Financial Report could not have been accomplished without the dedicated services of all Board staff. We would like to thank the firm of Williams-Keepers LLC and their staff for their assistance in the preparation of this report, John E. Mehner for serving as Board Treasurer, and the MDFB Audit Committee for their oversight and guidance.

Respectfully submitted,

Erica Griffin, CPA	Ryan Vermette
Controller	Compliance Officer

GFOA Certificate of Achievement



Financial Section

Missouri Development Finance Board

A Component Unit of the State of Missouri

Comprehensive Annual Financial Report

For the Year Ended June 30, 2016

Independent Auditors' Report

WILLIAMS KEEPERS LLC
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

2005 West Broadway, Suite 100, Columbia, MO 65203
OFFICE (573) 442-6171 FAX (573) 777-7800
3220 West Edgewood, Suite E, Jefferson City, MO 65109
OFFICE (573) 635-6196 FAX (573) 644-7240
www.williamskeepers.com

Members of the
Missouri Development Finance Board:

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the Missouri Development Finance Board (the Board), a component unit of the State of Missouri, as of and for the years ended June 30, 2016 and 2015, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

American Institute of Certified Public Accountants | Missouri Society of Certified Public Accountants | Member, Allinial Global

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Board as of June 30, 2016 and 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in conformity with U.S. generally accepted accounting principles.

Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require that the management's discussion and analysis and the pension plan schedules as listed on the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. generally accepted auditing standards, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the Board's basic financial statements. The introductory section, combining fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the combining fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Williams Keepers LLC

October 5, 2016

Management's Discussion and Analysis

As management of the Missouri Development Finance Board (the Board), we offer readers of the Board's financial statements this narrative overview and analysis of the financial activities of our organization for the fiscal year ended June 30, 2016.

Financial Highlights

- During fiscal year 2016 the Board's total net position increased by $3,324,987. The increase is attributable to favorable parking garage revenues, strong revenues from the Tax Credit for Contribution Program, stable operating expenses, and no contributions to others as in previous years.
- During fiscal year 2016, due to higher cash balances, the Board increased its purchases of investments. Remaining balances are held in cash, which is invested in money market accounts that utilize overnight repurchase agreements.
- During fiscal year 2016 the Board paid $195,000 in principal on the bonds that were issued during 2010 to assist with the financing on the Seventh Street Garage.
- During fiscal year 2016 the Board received and was able to move from restricted assets the $500,000 related to the Second Loss Debt Service Reserve Fund for the City of Grandview 2003 Gateway Commons conduit bonds due to bond conditions being met.

Overview of the Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to the Board's basic financial statements. Government financial statements are presented as three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

In addition to the basic financial statements, the Board has opted to present combining schedules for the Parking Garage Fund and the Revolving Loan Fund as supplementary information.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Board, like other discretely presented component units of the State of Missouri, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. There are three categories available for governmental accounting: governmental funds, proprietary funds, and fiduciary funds. The Board's funds can be divided into two categories: governmental funds and proprietary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of monetary resources, as well as on balances of monetary resources available at the end of the fiscal year.

The Board maintains one governmental fund, the St. Louis Convention Center Hotel CID/TDD Fund. Information is presented separately in the government-wide financial statements for this activity.

Proprietary funds. Proprietary funds consist of two types of funds: internal service funds and enterprise funds. Of the two types of proprietary funds, the Board maintains one type – enterprise funds. Enterprise funds are used to report the same functions presented as business-type activities. Specifically, enterprise funds account for operations that provide a service to citizens that are financed primarily by a user charge for the provision of that service. Enterprise funds also

account for activities where the periodic measurement of net income is deemed appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Industrial Development and Reserve Fund, the Parking Garage Fund, and the Revolving Loan Fund. All funds are considered to be major funds.

Notes to the financial statements. The notes provide additional information that is essential for a full understanding of the data provided in the fund financial statements.

Combining schedules. The combining schedules have been included as supplementary information to provide additional information for the Board's Parking Garage Fund and Revolving Loan Fund.

Missouri Development Finance Board

A Component Unit of the State of Missouri

Comprehensive Annual Financial Report

For the Year Ended June 30, 2016

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Board, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $90,329,185 at the close of fiscal year 2016, $87,004,198 at the close of fiscal year 2015, and by $87,093,145 at the close of fiscal year 2014.

Net Position as of June 30:

	Governmental Activities			Business-Type Activities			Total		
	2016	2015	2014	2016	2015	2014	2016	2015	2014
Current and other assets	$ 147,170	$ 177,105	$ -	$ 72,857,789	$ 67,656,725	$ 65,311,694	$ 73,004,959	$ 67,833,830	$ 65,311,694
Restricted Assets	-	-	-	21,271,520	21,032,782	43,376,476	21,271,520	21,032,782	43,376,476
Capital Assets	-	-	-	66,348,788	67,967,091	69,878,061	66,348,788	67,967,091	69,878,061
Total Assets	147,170	177,105	-	160,478,097	156,656,598	178,566,231	160,625,267	156,833,703	178,566,231
Deferred outflows of resources	-	-	-	530,130	453,435	352,741	530,130	453,435	352,741
Current liabilities	147,170	177,105	-	704,241	447,850	441,816	851,411	624,955	441,816
Noncurrent liabilities	-	-	-	69,952,740	69,482,198	91,384,011	69,952,740	69,482,198	91,384,011
Total liabilities	147,170	177,105	-	70,656,981	69,930,048	91,825,827	70,804,151	70,107,153	91,825,827
Deferred inflows of resources	-	-	-	22,061	175,787	-	22,061	175,787	-
Net position:									
Net investment in capital assets	-	-	-	14,607,854	16,031,157	17,753,127	14,607,854	16,031,157	17,753,127
Restricted	-	-	-	7,394,180	7,936,899	8,407,066	7,394,180	7,936,899	8,407,066
Unrestricted	-	-	-	68,327,151	63,036,142	60,932,952	68,327,151	63,036,142	60,932,952
Total net position	$ -	$ -	$ -	$ 90,329,185	$ 87,004,198	$ 87,093,145	$ 90,329,185	$ 87,004,198	$ 87,093,145

Unrestricted net position may be used to meet the Board's ongoing obligations to citizens and creditors. Restricted net position is restricted to specific purposes and may not be used for anything else. Capital assets are used to provide services to the citizens of Missouri and are not spendable.

There was no material change in capital assets during fiscal year 2016 or 2015. The decreases are due to accumulated depreciation.

The increase in restricted assets of $238,738 from 2015 to 2016 is due to increased funds on hand raised by the Tax Credit for Contribution Program. Likewise, the decrease in restricted assets of $22,343,694 from 2015 to 2014 is due to decreased funds on hand for the Tax Credit for Contribution Program through a combination of fewer contributions received and increased disbursements to fund project construction costs.

The change in total net position for fiscal year 2016 is due to strong parking garage revenues and participation fees from the Tax Credit for Contribution Program. There was no material change in total net position for fiscal year 2015.

Changes in Net Position for the Years Ended June 30:

	Governmental Activities			Business-Type Activities			Total		
	2016	2015	2014	2016	2015	2014	2016	2015	2014
Revenues:									
Program Revenue:									
Participation fees	$ -	$ -	$ -	$ 2,229,007	$ 1,475,268	$ 3,108,998	$ 2,229,007	$ 1,475,268	$ 3,108,998
Interest on loans & notes receivable	-	-	-	561,999	559,810	572,347	561,999	559,810	572,347
Rental income	-	-	-	233,159	233,159	233,159	233,159	233,159	233,159
Contractual income	-	-	-	-	11,250	-	-	11,250	-
Parking garage revenue	-	-	-	5,277,053	5,175,893	4,973,252	5,277,053	5,175,893	4,973,252
DREAM revenue	-	-	-	-	5,698	68,663	-	5,698	68,663
General Revenue:									
Taxes	705,540	705,655	-	-	-	-	705,540	705,655	-
Other income	-	-	-	326,652	705,836	348,651	326,652	705,836	348,651
Non-operating Revenues:									
Interest on cash & investments	-	-	-	83,603	273,467	214,537	83,603	273,467	214,537
Other non-operating revenue	-	-	-	600,000	-	-	600,000	-	-
Total Revenues	705,540	705,655	-	9,311,473	8,440,381	9,519,607	10,017,013	9,146,036	9,519,607
Expenses:									
Personnel services	-	-	-	700,913	726,121	784,481	700,913	726,121	784,481
Professional fees	-	-	-	274,227	232,300	195,910	274,227	232,300	195,910
Depreciation & amortization	-	-	-	1,946,991	1,927,783	1,936,745	1,946,991	1,927,783	1,936,745
Parking garage operating expenses	-	-	-	1,585,903	1,690,374	1,653,820	1,585,903	1,690,374	1,653,820
DREAM expense	-	-	-	256,040	326,289	419,632	256,040	326,289	419,632
Other expenses	-	-	-	250,727	354,973	283,038	250,727	354,973	283,038
SLCCH CID/TDD program	705,540	705,655	-	-	-	-	705,540	705,655	-
Total Operating Expenses	705,540	705,655	-	5,014,801	5,257,840	5,273,626	5,720,341	5,963,495	5,273,626
Non-operating Expenses:									
Bond expense and interest expense	-	-	-	971,685	701,838	712,795	971,685	701,838	712,795
Research and development expense	-	-	-	-	-	-	-	-	-
Contributions to others	-	-	-	-	1,850,000	14,400	-	1,850,000	14,400
Total Expenses	705,540	705,655	-	5,986,486	7,809,678	6,000,821	6,692,026	8,515,333	6,000,821
Change in Net Position	-	-	-	3,324,987	630,703	3,518,786	3,324,987	630,703	3,518,786
Net Position, beginning of year (restated 2015)	-	-	-	87,004,198	86,373,495	83,574,359	87,004,198	86,373,495	83,574,359
Net Position, end of year	$ -	$ -	$ -	$90,329,185	$87,004,198	$87,093,145	$90,329,185	$87,004,198	$87,093,145

- Participation fees increased $753,739 (51%) during fiscal year 2016 due to increased tax credit contributions received. Participation fees decreased $1,633,730 (53%) due to fewer tax credit contributions received and BUILD issuances during fiscal year 2015.
- Interest on loans receivable for fiscal year 2016 increased $2,189 (0.3%) due to normal amortization under the effective interest method. Interest on loans receivable for fiscal year 2015 decreased by $12,537 (2%) due in part to the payoff of some small business note receivables and continued payments on receivables outstanding.
- Parking garage revenue increased $101,160 (2%) in fiscal year 2016 and $202,641 (4%) in fiscal year 2015. The increase is the result of additional leased spaces and increased transient parking revenue.
- Interest income on cash and investments decreased by $189,864 (69%) for fiscal year 2016 due to interest rates on investments not yielding much more than overnight repurchase agreements. Interest income on cash and investments increased by $58,930 (27%) for fiscal year 2015. The increase is due to increased investment purchases during fiscal year 2014, maturing during fiscal year 2015, with higher yields than overnight repurchase agreements.
- Taxes include the sales taxes received in relation to the SLCCH CID/TDD. There was no activity for fiscal year 2014.
- Other income decreased $379,184 (54%) in fiscal year 2016 as no additional adjustment on the OPO loan receivable was needed when compared to fiscal year 2015. Other income increased $357,185 (102%) in fiscal year 2015 due to an adjustment to the OPO loan receivable allowance account for $368,519 to reflect the net amount estimated as collectible based upon minimum fair market value projections.
- Other non-operating revenue increased $600,000 (100%) in fiscal year 2016 due to the receipt of monies related to a settlement of claims for the Seventh Street Garage. There was no activity in fiscal year 2015.
- There were no interfund transfers in fiscal year 2016. There was one interfund transfer in fiscal year 2015. The Board transferred $1,750,000 from the Industrial Development and Reserve Fund (IDRF) to the Parking Garage Fund (PGF) to fund the contribution to others that was made from the PGF. There was one interfund transfer in fiscal year 2014. The Board transferred $1,550,001 from the IDRF to the PGF to help fund the discretionary redemption of $1.7 million in debt on the St. Louis Convention Center Hotel Garage.
- Operating expenses decreased $243,154 (4%) in fiscal year 2016. The decrease is due to lower parking garage operating expenses primarily from reduced utility costs associated with the lighting upgrade at the SLCCHG. In fiscal year 2015 operating expenses increased $689,869 (13%), attributed to the inclusion of the SLCCH CID/TDD activities in the fiscal year 2015 financial reporting. Without SLCCH CID/TDD activities, operating expenses of business-type activities would have decreased $15,786 (0.29%). This is due to the combination of a decrease in personnel services and garage expenses offset by increases in professional services and DREAM expenses.
- Net position, beginning of year, for fiscal year 2015 has been restated by $719,650 due to the adoption of GASB No. 68.

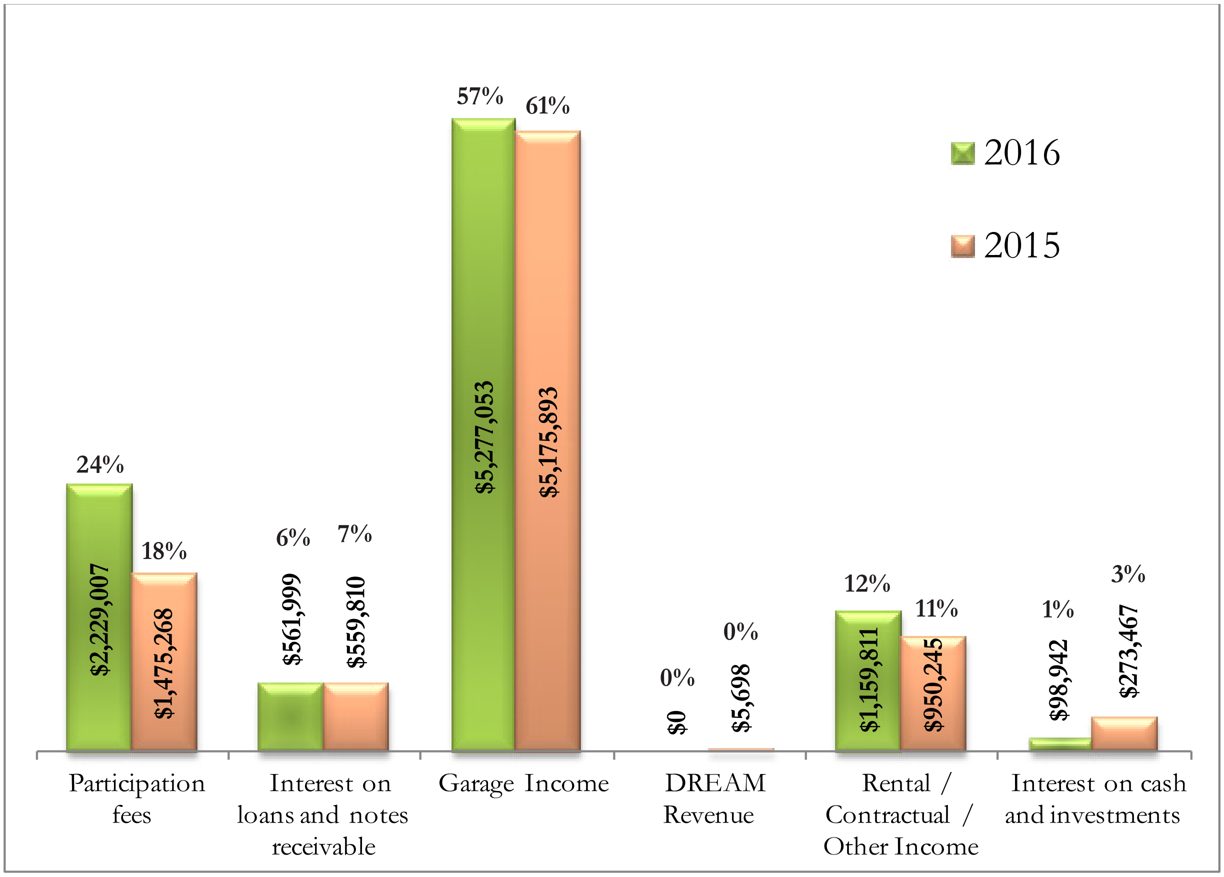
Changes in Net Position for the Years Ended June 30:

	2016		2015		2014	
	Amount	Percent	Amount	Percent	Amount	Percent
Operating income	$ 3,613,069	108.66%	$ 2,909,074	461.24%	$ 4,031,444	114.57%
Non-operating revenue (expense)	(288,082)	(8.66)	(2,278,371)	(361.24)	(512,658)	(14.57)
Change in net position	$ 3,324,987	100.00%	$ 630,703	100.00%	$ 3,518,786	100.00%

For 2015 to 2016 operating income is up $703,995 (24%) from the prior fiscal year due to increased participation fees from the Tax Credit for Contribution Program and steadily increasing garage revenues. Non-operating revenue (expense) is up $1,990,289 (87%) due to no contributions to others and revenue related to a litigation settlement received during fiscal year 2016.

For fiscal year 2014 to 2015 operating income is down $1,122,370 (28%) from the prior fiscal year due to lower participation fees revenue. Contributions to others resulted in a higher non-operating expense for 2015 as compared to 2014.

Business-Type Activities



Capital Assets

The Board's investment in capital assets for its business type activities as of June 30, 2016 is $66,348,788, net of depreciation. This is a decrease of $1,618,303 from fiscal year 2015. The change in the Board's investment in capital assets for both fiscal years 2016 and 2015 was (2%). The decrease in capital assets from 2016 to 2015 and 2015 to 2014 is attributable to the recording of depreciation. The major capital asset additions during fiscal year 2016 include ongoing construction in progress at SSG and lighting upgrades at SLCCHG. There were no major capital asset additions or disposals during fiscal year 2015.

Capital Assets (net of depreciation)

	2016	2015	2014
Land	$ 7,219,739	$ 7,219,739	$ 7,219,739
Building	58,799,914	60,656,879	62,546,696
Construction in progress	101,229	-	-
Equipment	111,409	84,239	99,178
Leasehold improvements	115,616	1	2,863
Accounting software	881	6,233	9,585
Total	$ 66,348,788	$ 67,967,091	$ 69,878,061

Additional information on the Board's capital assets can be found in Note 7 to the financial statements.

Long-Term Debt

For the fiscal year ended 2016, the Board's total long-term debt outstanding was $51,740,934. During fiscal year 2016, $195,000 in principal was paid. For the fiscal year ended 2015, the Board's total long-term debt outstanding was $51,935,934. During fiscal year 2015, $189,000 in principal was paid.

None of this amount comprises debt backed by the full faith and credit of the State of Missouri.

Outstanding Debt

	2016	2015	2014
Outstanding bond debt	$ 51,740,934	$ 51,935,934	$ 52,124,934

Additional information on the Board's long-term debt can be found in Note 10 to the financial statements.

As described in Note 10 to the financial statements, $29,840,934 of the total outstanding long-term debt of the Board is attributable to SSGPPC, a wholly owned non-profit subsidiary of the Board formed by the Board in 2010 to facilitate participation in the Federal New Markets Tax Credit Program. In connection with the loans, the Board entered into an Investment Put and Call Agreement which the Board expects will result in the extinguishment of the debt in fiscal year 2017 for nominal consideration based upon standard NMTC program practices.

Requests for Information

This financial report is designed to provide a general overview of the Missouri Development Finance Board's finances for all those with an interest in the Board's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Missouri Development Finance Board, Controller, P. O. Box 567, 200 Madison Street, Suite 1000, Jefferson City, Missouri 65102.

Missouri Development Finance Board

A Component Unit of the State of Missouri

Comprehensive Annual Financial Report

For the Year Ended June 30, 2016

Missouri Development Finance Board

Statement of Net Position | *June 30, 2016*

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	$ -	$ 29,593,482	$ 29,593,482
Current portion of loans and notes receivable	-	538,433	538,433
Accrued interest on investments	-	9,998	9,998
Accrued interest on loans and notes receivable	-	55,352	55,352
Interfund receivables (payables)	(147,170)	147,170	-
Prepaid expenses and other assets	-	1,177,737	1,177,737
Sales tax receivables	147,170	-	147,170
Total current assets	-	31,522,172	31,522,172
Noncurrent assets:			
Restricted assets	-	21,271,520	21,271,520
Derivative instrument – interest rate cap agreement	-	362	362
Long-term portion of loans and notes receivable	-	41,335,255	41,335,255
Capital assets:			
Assets not being depreciated	-	7,320,968	7,320,968
Assets being depreciated, net	-	59,027,820	59,027,820
Total noncurrent assets	-	128,955,925	128,955,925
Total assets	-	160,478,097	160,478,097
DEFERRED OUTFLOWS OF RESOURCES			
Accumulated decrease in fair value of hedging derivatives	-	386,638	386,638
Pension contributions and other	-	143,492	143,492
Total deferred outflows of resources	-	530,130	530,130
LIABILITIES			
Current liabilities:			
Accounts payable and other accrued liabilities	-	277,953	277,953
Accrued bond interest payable	-	52,944	52,944
Payable from restricted assets	-	14,058	14,058
Current portion of long-term debt	-	359,286	359,286
Total current liabilities	-	704,241	704,241
Noncurrent liabilities:			
Long-term debt	-	51,381,648	51,381,648
Unearned revenue	-	1,752,120	1,752,120
Net pension liability	-	812,507	812,507
Other accrued liabilities	-	41,871	41,871
Payable from restricted assets:			
Tax credit for contribution and other deposits	-	15,964,594	15,964,594
Total noncurrent liabilities	-	69,952,740	69,952,740
Total liabilities	-	70,656,981	70,656,981
DEFERRED INFLOWS OF RESOURCES			
Pension other	-	22,061	22,061
Total deferred inflows of resources	-	22,061	22,061
NET POSITION			
Net investment in capital assets	-	14,607,854	14,607,854
Restricted			
Restricted for debt service	-	1,875,000	1,875,000
Restricted for revolving loan funds	-	4,876,947	4,876,947
Restricted for new market tax credit program fees	-	642,233	642,233
Unrestricted	-	68,327,151	68,327,151
Total net position	$ -	$ 90,329,185	$ 90,329,185

The notes to the financial statements are an integral part of this statement.

Missouri Development Finance Board

Statement of Net Position | *June 30, 2015*

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	$ 49,040	$ 24,946,593	$ 24,995,633
Current portion of loans and notes receivable	-	508,523	508,523
Accrued interest on investments	-	36,415	36,415
Accrued interest on loans and notes receivable	-	41,483	41,483
Interfund receivables (payables)	(177,105)	177,105	-
Prepaid expenses and other assets	-	1,168,989	1,168,989
Sales tax receivables	128,065	-	128,065
Total current assets	-	26,879,108	26,879,108
Noncurrent assets:			
Restricted assets	-	21,032,782	21,032,782
Derivative instrument – interest rate cap agreement	-	19,036	19,036
Long-term portion of loans and notes receivable	-	40,758,581	40,758,581
Capital assets:			
Assets not being depreciated	-	7,219,739	7,219,739
Assets being depreciated, net	-	60,747,352	60,747,352
Total noncurrent assets	-	129,777,490	129,777,490
Total assets	-	156,656,598	156,656,598
DEFERRED OUTFLOWS OF RESOURCES			
Accumulated decrease in fair value of hedging derivatives	-	367,964	367,964
Pension contributions and other	-	85,471	85,471
Total deferred outflows of resources	-	453,435	453,435
LIABILITIES			
Current liabilities:			
Accounts payable and other accrued liabilities	-	195,486	195,486
Accrued bond interest payable	-	34,331	34,331
Payable from restricted assets	-	23,033	23,033
Current portion of long-term debt	-	195,000	195,000
Total current liabilities	-	447,850	447,850
Noncurrent liabilities:			
Long-term debt	-	51,740,934	51,740,934
Unearned revenue	-	1,797,120	1,797,120
Net pension liability	-	602,887	602,887
Other accrued liabilities	-	30,043	30,043
Payable from restricted assets:			
Tax credit for contribution and other deposits	-	15,311,214	15,311,214
Total noncurrent liabilities	-	69,482,198	69,482,198
Total liabilities	-	69,930,048	69,930,048
DEFERRED INFLOWS OF RESOURCES			
Pension other	-	175,787	175,787
Total deferred inflows of resources	-	175,787	175,787
NET POSITION			
Net investment in capital assets	-	16,031,157	16,031,157
Restricted			
Restricted for debt service	-	2,375,000	2,375,000
Restricted for revolving loan funds	-	4,805,489	4,805,489
Restricted for new market tax credit program fees	-	756,410	756,410
Unrestricted	-	63,036,142	63,036,142
Total net position	$ -	$ 87,004,198	$ 87,004,198

The notes to the financial statements are an integral part of this statement.

Missouri Development Finance Board

Statement of Activities | *For the Year Ended June 30, 2016*

	Expenses	Program Revenues - Charges for Services	Net Revenue (Expense) and Changes in Net Position: Governmental Activities	Business-Type Activities	Total
PROGRAM/FUNCTION					
Governmental activities:					
St. Louis Convention Center Hotel CID/TDD program	$ 705,540	$ -	$ (705,540)	$ -	$ (705,540)
Total governmental activities	705,540	-	(705,540)	-	(705,540)
Business-type activities:					
Industrial development and reserve program	1,304,499	2,625,878	-	1,321,379	1,321,379
Parking garage program	4,681,252	6,536,029	-	1,854,777	1,854,777
Revolving loan program	735	65,963	-	65,228	65,228
Total business-type activities	5,986,486	9,227,870	-	3,241,384	3,241,384
Total	$ 6,692,026	$ 9,227,870	(705,540)	3,241,384	2,535,844
General revenue:					
Sales tax revenues			705,540	-	705,540
Interest on cash and return on investments			-	83,603	83,603
Total general revenues			705,540	83,603	789,143
Changes in net position			-	3,324,987	3,324,987
Net position - beginning			-	87,004,198	87,004,198
Net position - ending			$ -	$ 90,329,185	$ 90,329,185

The notes to the financial statements are an integral part of this statement.

Missouri Development Finance Board

Statement of Activities | *For the Year Ended June 30, 2015*

			Net Revenue (Expense) and Changes in Net Position		
	Expenses	Program Revenues - Charges for Services	Governmental Activities	Business-Type Activities	Total
PROGRAM/FUNCTION					
Governmental activities:					
St. Louis Convention Center Hotel CID/TDD program	$ 705,655	$ -	$ (705,655)	-	$ (705,655)
Total governmental activities	705,655	-	(705,655)	-	(705,655)
Business-type activities:					
Industrial development and reserve program	1,585,034	2,249,980	-	664,946	664,946
Parking garage program	6,219,423	5,830,812	-	(388,611)	(388,611)
Revolving loan program	5,221	86,122	-	80,901	80,901
Total business-type activities	7,809,678	8,166,914	-	357,236	357,236
Total	$ 8,515,333	$ 8,166,914	(705,655)	357,236	357,236
	General revenue:				
	Sales tax revenues		705,655	-	705,655
	Interest on cash and return on investments		-	273,467	273,467
	Total general revenues		705,655	273,467	979,122
	Changes in net position		-	630,703	630,703
	Net position - beginning		-	86,373,495	86,373,495
	Net position - ending		$ -	$ 87,004,198	$ 87,004,198

The notes to the financial statements are an integral part of this statement.

Missouri Development Finance Board

Balance Sheet

Governmental Fund | St. Louis Convention Center Hotel CID/TDD Fund

June 30, 2016 and 2015

	2016	2015
ASSETS		
Cash and cash equivalents	$ -	$ 49,040
Sales tax receivables	147,170	128,065
Total assets	$ 147,170	$ 177,105
LIABILITIES		
Interfund payables	$ 147,170	$ 177,105
Total liabilities	147,170	177,105
FUND BALANCE		
Restricted for special district funding	-	-
Total liabilities and fund balance	$ 147,170	$ 177,105

The notes to the financial statements are an integral part of this statement.

Missouri Development Finance Board

Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Fund | St. Louis Convention Center Hotel CID/TDD Fund
For the Year Ended June 30, 2016 and 2015

	2016	2015
REVENUES		
Sales tax revenues	$ 705,540	$ 705,655
Total revenues	705,540	705,655
EXPENDITURES		
License payments	686,506	700,799
Other payments	19,034	4,856
Total expenditures	705,540	705,655
Net change in fund balance	-	-
Fund balance - beginning	-	-
Fund balance - ending	$ -	$ -

The notes to the financial statements are an integral part of this statement.

Missouri Development Finance Board

Statement of Net Position

All Proprietary Fund Types | *June 30, 2016*

	Industrial Development and Reserve Fund	Parking Garage Fund	Revolving Loan Fund	Total Business-Type Activities
ASSETS				
Current assets:				
Cash and cash equivalents	$ 15,234,144	$ 14,359,338	$ -	$ 29,593,482
Current portion of loans and notes receivable	262,700	46,625	229,108	538,433
Accrued interest on investments	4,197	3,202	2,599	9,998
Accrued interest on loans and notes receivable	20,806	19,866	14,680	55,352
Interfund receivables	-	147,170	-	147,170
Prepaid expenses and other assets	25,305	1,152,432	-	1,177,737
Total current assets	15,547,152	15,728,633	246,387	31,522,172
Noncurrent assets:				
Restricted assets	15,964,594	2,531,291	2,775,635	21,271,520
Derivative instrument – interest rate cap agreement	-	362	-	362
Long-term portion of loans and notes receivable	10,649,615	28,829,896	1,855,744	41,335,255
Capital assets:				
Assets not being depreciated	-	7,320,968	-	7,320,968
Assets being depreciated, net	3,523	59,024,297	-	59,027,820
Total noncurrent assets	26,617,732	97,706,814	4,631,379	128,955,925
Total assets	42,164,884	113,435,447	4,877,766	160,478,097
DEFERRED OUTFLOWS OF RESOURCES				
Accumulated decrease in fair value of hedging derivatives	-	386,638	-	386,638
Pension contributions and other	143,492	-	-	143,492
Total deferred outflows of resources	143,492	386,638	-	530,130
LIABILITIES				
Current liabilities:				
Accounts payable and other accrued liabilities	264,404	12,730	819	277,953
Accrued bond interest payable	-	52,944	-	52,944
Payable from restricted assets	-	14,058	-	14,058
Current portion of long-term debt	-	359,286	-	359,286
Total current liabilities	264,404	439,018	819	704,241
Noncurrent liabilities:				
Long-term debt	-	51,381,648	-	51,381,648
Unearned revenue	-	1,752,120	-	1,752,120
Net pension liability	812,507	-	-	812,507
Other accrued liabilities	41,871	-	-	41,871
Payable from restricted assets:				
Tax credit for contribution and other deposits	15,964,594	-	-	15,964,594
Total noncurrent liabilities	16,818,972	53,133,768	-	69,952,740
Total liabilities	17,083,376	53,572,786	819	70,656,981
DEFERRED INFLOWS OF RESOURCES				
Pension other	22,061	-	-	22,061
Total deferred inflows of resources	22,061	-	-	22,061
NET POSITION				
Net investment in capital assets	3,523	14,604,331	-	14,607,854
Restricted				
Restricted for debt service	-	1,875,000	-	1,875,000
Restricted for revolving loan funds	-	-	4,876,947	4,876,947
Restricted for new market tax credit program fees	-	642,233	-	642,233
Unrestricted	25,199,416	43,127,735	-	68,327,151
Total net position	$ 25,202,939	$ 60,249,299	$ 4,876,947	$ 90,329,185

The notes to the financial statements are an integral part of this statement.

Missouri Development Finance Board

Statement of Net Position

All Proprietary Fund Types | *June 30, 2015*

	Industrial Development and Reserve Fund	Parking Garage Fund	Revolving Loan Fund	Total Business-Type Activities
ASSETS				
Current assets:				
Cash and cash equivalents	$ 13,960,723	$ 10,985,870	$ -	$ 24,946,593
Current portion of loans and notes receivable	262,685	26,962	218,876	508,523
Accrued interest on investments	10,839	22,977	2,599	36,415
Accrued interest on loans and notes receivable	10,750	19,889	10,844	41,483
Interfund receivables	-	177,105	-	177,105
Prepaid expenses and other assets	30,676	1,138,313	-	1,168,989
Total current assets	14,275,673	12,371,116	232,319	26,879,108
Noncurrent assets:				
Restricted assets	15,811,214	2,654,443	2,567,125	21,032,782
Derivative instrument – interest rate cap agreement	-	19,036	-	19,036
Long-term portion of loans and notes receivable	9,912,315	28,839,296	2,006,970	40,758,581
Capital assets:				
Assets not being depreciated	-	7,219,739	-	7,219,739
Assets being depreciated, net	9,806	60,737,546	-	60,747,352
Total noncurrent assets	25,733,335	99,470,060	4,574,095	129,777,490
Total assets	40,009,008	111,841,176	4,806,414	156,656,598
DEFERRED OUTFLOWS OF RESOURCES				
Accumulated decrease in fair value of hedging derivatives	-	367,964	-	367,964
Pension contributions and other	85,471	-	-	85,471
Total deferred outflows of resources	85,471	367,964	-	453,435
LIABILITIES				
Current liabilities:				
Accounts payable and other accrued liabilities	185,700	8,861	925	195,486
Accrued bond interest payable	-	34,331	-	34,331
Payable from restricted assets	-	23,033	-	23,033
Current portion of long-term debt	-	195,000	-	195,000
Total current liabilities	185,700	261,225	925	447,850
Noncurrent liabilities:				
Long-term debt	-	51,740,934	-	51,740,934
Unearned revenue	-	1,797,120	-	1,797,120
Net pension liability	602,887	-	-	602,887
Other accrued liabilities	30,043	-	-	30,043
Payable from restricted assets:				
Tax credit for contribution and other deposits	15,311,214	-	-	15,311,214
Total noncurrent liabilities	15,944,144	53,538,054	-	69,482,198
Total liabilities	16,129,844	53,799,279	925	69,930,048
DEFERRED INFLOWS OF RESOURCES				
Pension other	175,787	-	-	175,787
Total deferred inflows of resources	175,787	-	-	175,787
NET POSITION				
Net investment in capital assets	9,806	16,021,351	-	16,031,157
Restricted				
Restricted for debt service	500,000	1,875,000	-	2,375,000
Restricted for revolving loan funds	-	-	4,805,489	4,805,489
Restricted for new market tax credit program fees	-	756,410	-	756,410
Unrestricted	23,279,042	39,757,100	-	63,036,142
Total net position	$ 23,788,848	$ 58,409,861	$ 4,805,489	$ 87,004,198

The notes to the financial statements are an integral part of this statement.

Missouri Development Finance Board

Statement of Revenues, Expenses, and Changes in Net Position
All Proprietary Fund Types | *For the Year Ended June 30, 2016*

	Industrial Development and Reserve Fund	Parking Garage Fund	Revolving Loan Fund	Total Business-Type Activities
OPERATING REVENUES				
Parking garage revenues	$ -	$ 5,277,053	$ -	$ 5,277,053
Participation fees	2,229,007	-	-	2,229,007
Interest income on loans and notes receivable	156,707	344,709	60,583	561,999
Other income	240,164	51,108	5,380	296,652
Rental income	-	233,159	-	233,159
Administrative services revenue	-	30,000	-	30,000
Total operating revenues	2,625,878	5,936,029	65,963	8,627,870
OPERATING EXPENSES				
Depreciation and amortization	6,283	1,940,708	-	1,946,991
Parking garage operating expenses	-	1,585,903	-	1,585,903
Personnel services	700,913	-	-	700,913
DREAM expense	256,040	-	-	256,040
Professional fees	120,880	152,640	707	274,227
Office expenses	128,899	125	22	129,046
Administrative services agreement	-	30,000	-	30,000
Travel	36,242	119	-	36,361
Miscellaneous	55,242	72	6	55,320
Total operating expenses	1,304,499	3,709,567	735	5,014,801
Operating income	1,321,379	2,226,462	65,228	3,613,069
NON-OPERATING REVENUE (EXPENSE)				
Interest on cash and investments	92,712	(15,339)	6,230	83,603
Other non-operating income	-	600,000	-	600,000
Bond interest expense	-	(684,452)	-	(684,452)
Bond expense	-	(287,233)	-	(287,233)
Total non-operating revenue (expense)	92,712	(387,024)	6,230	(288,082)
Change in net position	1,414,091	1,839,438	71,458	3,324,987
Net position – beginning	23,788,848	58,409,861	4,805,489	87,004,198
Net position – ending	$ 25,202,939	$ 60,249,299	$ 4,876,947	$ 90,329,185

The notes to the financial statements are an integral part of this statement.

Missouri Development Finance Board

Statement of Revenues, Expenses, and Changes in Net Position
All Proprietary Fund Types | *For the Year Ended June 30, 2015*

	Industrial Development and Reserve Fund	Parking Garage Fund	Revolving Loan Fund	Total Business-Type Activities
OPERATING REVENUES				
Parking garage revenues	$ -	$ 5,175,893	$ -	$ 5,175,893
Participation fees	1,475,268	-	-	1,475,268
Interest income on loans and notes receivable	155,957	344,616	59,237	559,810
Other income	601,807	47,144	26,885	675,836
Rental income	-	233,159	-	233,159
Contractual income	11,250	-	-	11,250
DREAM revenue	5,698	-	-	5,698
Administrative services revenue	-	30,000	-	30,000
Total operating revenues	2,249,980	5,830,812	86,122	8,166,914
OPERATING EXPENSES				
Depreciation and amortization	10,912	1,916,871	-	1,927,783
Parking garage operating expenses	-	1,690,374	-	1,690,374
Personnel services	726,121	-	-	726,121
DREAM expense	326,289	-	-	326,289
Professional fees	126,205	104,543	24	230,772
Office expenses	140,374	15,780	3,645	159,799
Bad debt expense	-	-	1,552	1,552
Administrative services agreement	-	30,000	-	30,000
Travel	38,586	76	-	38,662
Miscellaneous	116,547	9,941	-	126,488
Total operating expenses	1,485,034	3,767,585	5,221	5,257,840
Operating income	764,946	2,063,227	80,901	2,909,074
NON-OPERATING REVENUE (EXPENSE)				
Interest on cash and investments	224,321	39,312	9,834	273,467
Bond interest expense	-	(409,933)	-	(409,933)
Bond expense	-	(291,905)	-	(291,905)
Contributions to others	(100,000)	(1,750,000)	-	(1,850,000)
Total non-operating revenue (expense)	124,321	(2,412,526)	9,834	(2,278,371)
Income before interfund transfers	889,267	(349,299)	90,735	630,703
INTERFUND TRANSFERS	(1,750,000)	1,750,000	-	-
Change in net position	(860,733)	1,400,701	90,735	630,703
Net position – beginning (as restated)	24,649,581	57,009,160	4,714,754	86,373,495
Net position – ending	$ 23,788,848	$ 58,409,861	$ 4,805,489	$ 87,004,198

The notes to the financial statements are an integral part of this statement.

Missouri Development Finance Board

Statement of Cash Flows
All Proprietary Fund Types | *For the Year Ended June 30, 2016*

	Industrial Development and Reserve Fund	Parking Garage Fund	Revolving Loan Fund	Total Business-Type Activities
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	$ 1,170,175	$ 5,920,987	$ 57,497	$ 7,148,659
Receipts for tax credit projects	1,864,234	-	-	1,864,234
Payments to suppliers and lessors	(506,771)	(1,779,109)	(841)	(2,286,721)
Payments for personnel and benefits	(703,040)	-	-	(703,040)
Net cash provided by operating activities	1,824,598	4,141,878	56,656	6,023,132
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Bond principal paid	-	(195,000)	-	(195,000)
Bond expense and interest paid	-	(968,827)	-	(968,827)
Acquisition of buildings and equipment	-	(328,688)	-	(328,688)
Receipt of other non-operating income	-	600,000	-	600,000
Net cash used by capital and related financing activities	-	(892,515)	-	(892,515)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchases of investments	(13,994,946)	(2,498,500)	-	(16,493,446)
Maturities of investments	13,499,975	3,062,120	-	16,562,095
Interest on cash and investments	99,354	4,437	6,230	110,021
Disbursement of loan proceeds	(1,000,000)	(38,506)	(219,369)	(1,257,875)
Receipt of loan payments	502,749	35,022	364,993	902,764
Net cash provided (used) by investing activities	(892,868)	564,573	151,854	(176,441)
Net increase (decrease) in cash and cash equivalents	931,730	3,813,936	208,510	4,954,176
Cash and cash equivalents – beginning	20,671,937	10,578,193	1,559,435	32,809,565
Cash and cash equivalents – ending	$ 21,603,667	$ 14,392,129	$ 1,767,945	$ 37,763,741
Reconciliation of operating income to net cash provided (used) by operating activities:				
Operating income	$ 1,321,379	$ 2,226,462	$ 65,228	$ 3,613,069
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation and amortization expenses	6,283	1,940,708	-	1,946,991
Adjustment to allowance for bad debt	(240,164)	-	(4,630)	(244,794)
(Increase) decrease in accrued interest on loans and notes receivable	(10,056)	23	(3,836)	(13,869)
(Increase) decrease in interfund receivables	-	29,935	-	29,935
(Increase) decrease in prepaid expenses and other assets	5,371	(14,119)	-	(8,748)
(Increase) decrease in pension contributions and other	(58,021)	-	-	(58,021)
Increase (decrease) in accounts payable and accrued liabilities	90,532	3,869	(106)	94,295
Increase (decrease) in unearned revenue	-	(45,000)	-	(45,000)
Increase (decrease) in net pension liability	209,620	-	-	209,620
Increase (decrease) in tax credit for contribution deposits	653,380	-	-	653,380
Increase (decrease) in pension other	(153,726)	-	-	(153,726)
Total adjustments	503,219	1,915,416	(8,572)	2,410,063
Net cash provided (used) by operating activities	$ 1,824,598	$ 4,141,878	$ 56,656	$ 6,023,132
Reconciliation of cash and cash equivalents to the statement of net position:				
Cash and cash equivalents	$ 15,234,144	$ 14,359,338	$ -	$ 29,593,482
Restricted assets	15,964,594	2,531,291	2,775,635	21,271,520
Less: investments with original maturity of greater than 90 days	(9,595,071)	(2,498,500)	(1,007,690)	(13,101,261)
Total cash and cash equivalents	$ 21,603,667	$ 14,392,129	$ 1,767,945	$ 37,763,741

The notes to the financial statements are an integral part of this statement.

Missouri Development Finance Board

Statement of Cash Flows
All Proprietary Fund Types | *For the Year Ended June 30, 2015*

	Industrial Development and Reserve Fund	Parking Garage Fund	Revolving Loan Fund	Total Business-Type Activities
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	$ 929,253	$ 5,551,841	$ 63,257	$ 6,544,351
Disbursements for tax credit projects	(21,056,943)	-	-	(21,056,943)
Payments to suppliers and lessors	(1,178,545)	(1,848,699)	(4,350)	(3,031,594)
Payments for personnel and benefits	(739,300)	-	-	(739,300)
Net cash provided (used) by operating activities	(22,045,535)	3,703,142	58,907	(18,283,486)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Contributions to others	(100,000)	(1,750,000)	-	(1,850,000)
Interfund transfers	(1,750,000)	1,750,000	-	-
Net cash used by noncapital financing activities	(1,850,000)	-	-	(1,850,000)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Bond principal paid	-	(189,000)	-	(189,000)
Bond expense and interest paid	-	(692,862)	-	(692,862)
Acquisition of buildings and equipment	-	(16,813)	-	(16,813)
Net cash used by capital and related financing activities	-	(898,675)	-	(898,675)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchases of investments	(16,658,771)	(2,149,943)	(399,847)	(19,208,561)
Maturities of investments	40,287,134	149,943	399,847	40,836,924
Interest on cash and investments	317,977	41,324	13,430	372,731
Disbursement of loan proceeds	-	-	(367,961)	(367,961)
Receipt of loan payments	493,444	26,702	283,901	804,047
Net cash provided (used) by investing activities	24,439,784	(1,931,974)	(70,630)	22,437,180
Net increase (decrease) in cash and cash equivalents	544,249	872,493	(11,723)	1,405,019
Cash and cash equivalents – beginning	20,127,688	9,705,700	1,571,158	31,404,546
Cash and cash equivalents – ending	$ 20,671,937	$ 10,578,193	$ 1,559,435	$ 32,809,565
Reconciliation of operating income to net cash provided (used) by operating activities:				
Operating income	$ 764,946	$ 2,063,227	$ 80,901	$ 2,909,074
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation and amortization expenses	10,912	1,916,871	-	1,927,783
Adjustment to allowance for bad debt	(601,807)	-	(26,885)	(628,692)
(Increase) decrease in accrued interest on loans and notes receivable	-	23	4,020	4,043
(Increase) decrease in interfund receivables	-	(177,105)	-	(177,105)
(Increase) decrease in prepaid expenses and other assets	15,429	9,049	-	24,478
Increase (decrease) in accounts payable and accrued liabilities	(430,544)	(7,034)	871	(436,707)
Increase (decrease) in unearned revenue	-	(101,889)	-	(101,889)
Increase (decrease) in net pension liability	(24,429)	-	-	(24,429)
Increase (decrease) in tax credit for contribution deposits	(21,780,042)	-	-	(21,780,042)
Total adjustments	(22,810,481)	1,639,915	(21,994)	(21,192,560)
Net cash provided (used) by operating activities	$ (22,045,535)	$ 3,703,142	$ 58,907	$ (18,283,486)
Reconciliation of cash and cash equivalents to the statement of net position:				
Cash and cash equivalents	$ 13,960,723	$ 10,985,870	$ -	$ 24,946,593
Restricted assets	15,811,214	2,654,443	2,567,125	21,032,782
Less: investments with original maturity of greater than 90 days	(9,100,000)	(3,062,120)	(1,007,690)	(13,169,810)
Total cash and cash equivalents	$ 20,671,937	$ 10,578,193	$ 1,559,435	$ 32,809,565

The notes to the financial statements are an integral part of this statement.

Notes to the Financial Statements

1. Financial Reporting Entity and Summary of Significant Accounting Policies

(a) Financial Reporting Entity

The Missouri Development Finance Board ("the Board" or "MDFB"), is governed by the Revised Statutes of Missouri (RSMo) Sections 100.250 to 100.297 and 100.700 to 100.850, as a body corporate and politic of the State of Missouri created within the Department of Economic Development. The Board is governed by a 12-member Board. The Governor of the State of Missouri, with the advice and consent of the Senate, appoints 8 of the Board members. The remaining 4 Board members are the Lieutenant Governor, Director of the Department of Economic Development, Director of the Department of Agriculture, and Director of the Department of Natural Resources.

The Board is empowered to issue bonds and notes, provide loans, loan guarantees and grants to political subdivisions to fund public infrastructure improvements, and to issue Missouri tax credits for approved projects. The Board also has other authorized powers under State statute, including the ability to acquire, own, improve, and use real and personal property such as parking garages and buildings.

The Board is a discretely presented component unit of the State of Missouri as defined by Governmental Accounting Standards Board (GASB) Statement No. 61, *The Financial Reporting Entity,* as the Board does not meet the qualification for blending.

The Board has two active component units and one inactive component unit as defined by GASB Statement No. 61, *The Financial Reporting Entity*:

The St. Louis Convention Center Hotel Community Improvement District/Transportation Development District (SLCCH CID/TDD) is an active discretely presented component unit. In November 2009 the Board approved a resolution to participate in the CID and TDD. The CID and TDD each levy a 1% sales tax. The additional sales tax is payable and held by the Board for the benefit of 800 Washington LLC and Lennox Suites, LLC, who utilizes the funds to help pay their license obligation to MDFB for spaces in the St. Louis Convention Center Hotel Garage. These payments assist MDFB's parking garage operations and maintenance. Effective June 25, 2014 and July 17, 2014, respectively, MDFB staff became board members of the CID and TDD. As of these dates, MDFB staff is responsible for monitoring district collections and paying district expenses, as well as collecting and transferring certain funds to the City of St. Louis. The SLCCH CID/TDD maintains only one fund, a governmental fund, and does not issue separately prepared financial statements.

The Seventh Street Garage Public Parking Corporation (SSGPPC) is an active blended component unit within the Parking Garage Fund. MDFB is the sole member of SSGPPC, acting through a Board of Directors. Three Board members of the Missouri Development Finance Board serve as members for the SSGPPC. The Board receives excess cash from the SSGPPC, thus having a financial benefit, and has operational responsibility for the SSGPPC. The SSGPPC is a 501(c)(3) not-for-profit organization established for the primary purpose of serving as a qualified active low-income community business (QALICB) located in a low-income census tract in connection with the New Markets Tax Credit Program as defined in Section 45D of the Internal Revenue Code of 1986 as amended. The SSGPPC renovated a portion of the St. Louis Centre into a 750-space parking garage, which it operates. The SSGPPC maintains only one fund, an enterprise fund, and does not issue separately prepared financial statements.

The Board's discretely presented component unit, the Missouri Community Investment Corporation (MCIC) currently is inactive. The Board members of the Missouri Development Finance Board and five additional members serve as the Board for MCIC. MCIC is a 501(c)(3) not-for-profit organization established for the primary purpose of serving as a qualified community development entity (CDE) providing investment capital for the benefit of Low-Income Communities and Low-Income Persons within the State of Missouri in connection with the New Markets Tax Credit Program established pursuant to Section 45D of the Internal Revenue Code of 1986 as amended. MCIC was inactive during fiscal year 2016, and thus has been omitted from presentation in the financial statements. In August 2015 the annual registration for the MCIC expired and was not renewed.

For purposes of these financial statements, all references to MDFB or the Board represent the primary government and its component units.

(b) Basis of Presentation

The government-wide financial statements (i.e., the *Statements of Net Position* and the *Statements of Activities*) reports information on all of the activities of the Board. The effect of interfund activities has been removed from these statements. Governmental activities, which are normally supported by taxes, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external parties.

The *Statements of Activities* demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate fund financial statements are provided for governmental funds and proprietary funds. The Board uses funds to report its financial position and results of its operations in the fund financial statements. Fund accounting is designed to demonstrate legal compliance and to aid financial management by separating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts. Funds are classified into two categories: governmental and proprietary.

The Board reports the following governmental fund:

- St. Louis Convention Center Hotel Community Improvement District/Transportation Development District Fund – The St. Louis Convention Center Hotel Community Improvement District/Transportation Development District Fund (SLCCH CID/TDD) was established in 2015 by the Board for financial reporting purposes to account for the operations of the CID and TDD and is the Board's discretely presented component unit.

Pursuant to RSMo Sections 100.260 and 100.263, the Board has five statutory proprietary funds. However, for financial reporting purposes, the Board has chosen to report the following proprietary funds:

- Industrial Development and Reserve Fund – The Industrial Development and Reserve Fund (IDRF) is both a statutory fund and a fund for financial reporting purposes. At inception, the Board was funded by appropriations from the State General Revenue Fund; however, currently the Board's primary source of funds is from other sources as specified by its statutes. Funds may be used to make eligible direct loans or may be pledged as loan, note, or bond guarantees. RSMo Sections 33.080 and 100.260 provide that if funds are appropriated by the general assembly for this fund, they shall not lapse and the balance shall not be transferred to the State General Revenue Fund. This fund includes activity related to the Old Post Office (OPO) project and the DREAM Initiative.

- <u>Parking Garage Fund</u> – The Parking Garage Fund (PGF) was established in 2003 by the Board for financial reporting purposes to account for the construction and ongoing operations of its parking garages. This fund derives its statutory authority from the Infrastructure Development Fund (IDF) as defined in RSMo Section 100.263. The IDF was established to make low-interest or interest-free loans, loan guarantees, or grants to local political subdivisions and to State agencies. The fund may receive funds from the federal government for infrastructure development purposes, but other public or private funds may be received by the Board for deposit in the funds. The Board garages qualify as public infrastructure. The garages are as follows: the St. Louis Convention Center Hotel Garage (SLCCHG), the Ninth Street Garage (NSG) supporting the OPO redevelopment project in St. Louis, and the Seventh Street Garage (SSG) in St. Louis. This fund is used to account for the Board's obligations and interests in the SSG. This fund also includes the Seventh Street Garage Public Parking Corporation (SSGPPC), a 501(c)(3) not-for-profit organization which accounts for operations of the Seventh Street Garage and is the Board's blended component unit.

- <u>Revolving Loan Fund</u> – The Revolving Loan Fund (RLF) is a financial reporting fund that includes the Missouri Infrastructure Development Loan (MIDOC) and the Small Business Loan Program activities. The statutory authority for the MIDOC Program is granted through the Infrastructure Development Fund (IDF), while the statutory authority for the Small Business Loan Program is derived from the Industrial Development and Reserve Fund (IDRF). Due to the similar nature of the two activities, they are combined for financial reporting purposes. The MIDOC Program was established in 1988 by RSMo Section 100.263, as amended, and was originally capitalized by appropriations from the State General Fund and from various other sources as allowed by the statute. MIDOC funds may be used to make low-interest loans to local political subdivisions. In 2009 the Board transferred $2 million into the RLF to establish the Small Business Loan Program. The funds for the Small Business Loan Program are maintained separately from the MIDOC funds established by appropriations. Small Business Loan funds may be used to make low-interest loans to small businesses located within the State of Missouri.

(c) Method of Accounting

Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Board considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Sales tax associated with the current fiscal year is considered to be susceptible to accrual and so has been recognized as revenues in the current fiscal year. All other revenue items are considered to be measureable and available only when cash is received by the government.

Proprietary funds distinguish operating revenues and expense from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's ongoing operations. Operating expenses include the costs of services, administrative expenses, and depreciation on capital assets. Revenues and expenses not meeting these definitions are generally reported as non-operating revenues and expenses. Also see Notes 1(m) and 1(n).

Application fees and issuance fees are recognized as participation fees on the *Statements of Revenues, Expenses, and Changes in Net Position*. The Board recognizes revenue from application fees when received since the fees are due upon application submission and are nonrefundable. The Board recognizes revenue on issuance fees at the time of the issuance of the related bonds since, until actual issuance, the amount or the certainty of receiving the issuance fee is not determinable. Expenses related to bond issuance are recognized when incurred, as there is no reasonable method of allocating the expenses to issuance revenues because of the previously mentioned uncertainties.

Contributions received for tax credits on behalf of other entities are treated as conduit transactions, with the amount of unspent contributions recorded as a liability. Contributions received for tax credits on behalf of the Board's projects are recorded as contributed revenue when all applicable eligibility requirements have been met, which is determined on a project-by-project basis.

(d) Cash and Cash Equivalents

Cash and cash equivalents within the *Statement of Cash Flows* include cash, certificates of deposit, and short-term investments with original maturities of 90 days or less.

(e) Investments

The Board has the power to invest in obligations of the United States or its agencies, insured or secured certificates of deposits, secured repurchase agreements, and state or political subdivisions obligations with the two highest credit rating categories. Investments are adjusted to fair value at fiscal yearend.

(f) Loans and Allowance for Loan Loss

Loans are stated at the amount of unpaid principal, adjusted by an allowance for loan losses. The Board's loans are made to not-for-profit entities, small businesses, and political subdivisions. In many cases, the repayment terms and collateral, if any, are much less stringent than typical financial institution loans due to the nature of the Board's mission. The allowance for loan losses is established through a provision for loan losses charged to expense. Loans are charged against the allowance for loan losses when management believes that the collectability of the principal is unlikely.

The allowance is an amount that management believes will be adequate to absorb possible losses on existing loans that may become uncollectible, based on evaluation of the collectability of loans, prior loan loss experience or when the net present value of estimated future cash flows on the loan or fair value of collateral is less than the recorded value of the loan (computed on a loan-by-loan basis).

(g) Capital Assets

Capital assets, which consist of land, building, equipment, vehicle, and software, are stated at cost. Contributions of capital assets are recorded at fair market value at the time received. Capital assets are defined by the Board as assets with an individual cost of more than $500 and an estimated useful life in excess of one year. Depreciation has been provided over the estimated useful lives using the straight-line method. Estimated useful lives are as follows:

Buildings/ Leasehold Asset	Leasehold Improvements	Software	Equipment	Vehicle
40 Years	10 Years	7 Years	3-5 Years	3 Years

It is the Board's policy to capitalize interest on debt incurred to finance the construction of capital assets, when material. The Board had no capital construction projects in progress for the fiscal years ended June 30, 2016 or 2015 and, therefore, there is no capitalized interest recorded.

(h) Compensated Absences

Under the terms of the Board's personnel policy, Board employees are granted vacation, sick, and compensatory leave in varying amounts. In the event of termination, an employee is paid for accumulated vacation and compensatory hours. Employees are not paid for accumulated sick leave upon termination. The amounts of accrued vacation and compensatory hours are included as current and non-current liabilities in the accompanying combined financial statements. The costs of sick leave are not accrued.

(i) Unearned Revenue

Unearned revenue is revenue that has not yet been earned, including rent received in advance and unearned income from capital leases.

(j) Long-Term Debt

Long-term debt and other long-term obligations are reported as liabilities in the *Statements of Net Position*. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of any applicable bond premium or discount. Bond issuance costs are expensed at closing.

(k) Deferred Outflows and Inflows of Resources

In addition to assets, the *Statements of Net Position* will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources until then. The Board has two items that qualify for reporting in this category, an interest rate cap agreement in connection with the $9 million debt borrowed from Pulaski Bank (see Note 3), and pension contributions and other in connection with the defined benefit pension plan (see Note 18).

In addition to liabilities, the *Statements of Net Position* will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an addition to net position that applies to a future period(s) and so will not be recognized as an inflow of resources until then. The Board has one item that qualifies for reporting in this category, pension other in connection with the defined benefit pension plan (see Note 18).

(l) Equity

In the governmental fund financial statements, equity is displayed in five components as follows:

Nonspendable – This consists of amounts that are not in a spendable form or are legally or contractually required to be maintained intact.

Restricted – This consists of amounts that are constrained to specific purposes by their providers, through constitutional or contractual provisions or by enabling legislation.

Committed – This consists of amounts that can be used only for the specific purposes determined by a formal action (a resolution) of the government's highest level of decision-making authority (the Board of Directors) by the end of the fiscal year.

Assigned – This consists of amounts that are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. The Executive Director is authorized to assign amounts for specific purposes; however, an additional formal action does not have to be taken for the removal of the assignment.

Unassigned – This consists of amounts that are available for any purpose and can only be reported in a General Fund, which the Board does not have.

In the government-wide and proprietary fund financial statements, equity is displayed in three components as follows:

Net investment in capital assets – This consists of capital assets, net of accumulated depreciation, less the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.

Restricted – This consists of net position that is legally restricted by outside parties or by law through constitutional provisions or enabling legislation.

Unrestricted – This consists of net position that does not meet the definition of "net investment in capital assets" or "restricted."

For the years ended June 30, 2016 and 2015, the net position of SSGPPC had deficit balances of $(1,630,378) and $(2,320,087), respectively. This is partially due to rental income being deferred in the fund statement and will be eliminated upon recognition of the rental income and collection of parking garage revenues.

(m) Proprietary Funds – Classification of Operating, Non-operating, and Contributed Revenue

The Board has classified its revenues from business-type activities as operating, non-operating, or contributed revenues according to the following criteria:

Operating revenues – Include revenue sources related to the basic purpose of the Board and include interest income on loans, fees, and charges for services.

Non-operating revenues – Include revenue sources unrelated to the basic purpose of the Board and include interest income on deposits and investments.

Contributed revenues – Include investments made in the Board that increase overall net position due to involvement in a specific project and revenue related to the Tax Credit for Contribution Program authorized under State statute received for Board-owned projects.

(n) Proprietary Funds – Classification of Operating and Non-operating Expenses

The Board has classified its expenses for business-type activities as operating and non-operating according to the following criteria:

Operating expenses – Include expenses related to the basic purpose of the Board and include administrative expenses, costs associated with carrying out Board programs, depreciation, and bad debt expenses.

Non-operating expenses – Include expenses related and unrelated to the basic purpose of the Board and may include expenses related to the basic purpose of the Board when such expenses are financial in nature such as bond and interest expenses.

(o) Participation Fees

The Board receives participation fees on certain direct loans, loan guarantees, bonds and tax credit contributions. Direct infrastructure loans are made to local governmental entities for public infrastructure needs.

Bond application fees are 0.1% of the amount of issuance limited to a minimum of $500 and a maximum of $2,500.

The issuance fee for private activity bonds is 0.3% and for public activity bonds is 0.25%. Total fees on both types of issuances are not to exceed $75,000 for a single issue or multiple series under a single issue. For state agency bonds,

the issuance fee is on a scale ranging from 0.1% to 0.2%, not to exceed $75,000 for a single issue or multiple series under a single issue.

Bond issuance fees for refunding bonds previously issued by the Board are 0.2% for private activity bonds; on a scale ranging from 0.066% to 0.165% for public activity bonds; and on a scale ranging from 0.066% to 0.133% for state agency bonds. Total fees on all types of refunding issuances are not to exceed $50,000 for a single issue or multiple series under a single issue.

BUILD Missouri (Business Use Incentives for Large-Scale Development) application fees are $1,000 and are non-refundable. The issuance fee is assessed as 2.5% of the bond principal with an annual fee of 0.5% of the principal portion outstanding at each anniversary date. The fee to cover legal counsel costs is 0.6% of bond principal with a minimum of $10,000, plus out-of-pocket expenses. Trustee fees including an acceptance fee of $850 and an annual administrative fee of $850 also is assessed.

Participation fees for the Tax Credit for Contribution Program are 4% of all contributions.

(p) Issuance of Conduit Bonds

All bonds issued by the Board, with the exception of the long-term debt issued for the St. Louis Convention Center Hotel Garage (SLCCHG), the Ninth Street Garage (NSG) and the Seventh Street Garage (SSG) (see Note 10), are conduit obligations. Conduit obligations are special, limited obligations of the Board and the assets of the Board are not pledged to secure such bonds. The borrower pays all debt service requirements. The bonds do not constitute an obligation of the Board or the State. See Note 15(b) to the financial statements for further information.

(q) Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenditure/expense during the reporting period. Estimates are used for, but not limited to, allowances for uncollectible loans receivable, asset impairment, fair value of certain assets, depreciable lives of capital assets, net pension liability, and commitments and contingencies. The Board is subject to uncertainties such as the impact of future events, economic, environmental and political factors, and changes in the business climate; therefore, actual results may differ from those estimates.

Accordingly, the accounting estimates used in the preparation of the Board's financial statements will change as new events occur, as more experience is acquired, as additional information is obtained, and as the Board's operating environment changes. Changes in estimates are made when circumstances warrant. Such changes and refinements in estimation methodologies are reflected in reported results of operations; if material, the effects of changes in estimates are disclosed in the notes to the financial statements. Accordingly, actual results may differ from those estimates.

(r) Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Missouri State Employees' Retirement System (MOSERS) and additions to/deductions from MOSERS' fiduciary net position have been determined on the same basis as they are reported by MOSERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

2. Deposits and Investments

The Board originally adopted a policy on investments in 2007 and further revised the policy during fiscal year 2013. Pursuant to the policy, the Board is authorized to invest funds not required for immediate disbursement in obligations of the United States, or any agency or instrumentality of the United States, in obligations of the State of Missouri and its political subdivisions, in certificates of deposit and time deposits or other obligations of banks and savings and loan associations, or in such other obligations that may be prescribed by the Board. A specific list of acceptable investments and terms of investing are detailed within the Board's investment policy.

As of June 30, 2016 and 2015, the Board had the following investments:

Investment type	2016	2015
Money market funds	$ 1,620,008	$ 2,424,355
U.S. Government agency discount notes	18,069,504	12,629,524
Overnight repurchase agreements	22,656,334	24,982,225
Total fair value	$ 42,345,846	$ 40,036,104

Interest Rate Risk – In accordance with its investment policy, the Board manages its exposure to declines in fair values by only investing in obligations that return initial purchase prices and the earned interest. This practice reduces exposure to significant declines in fair values.

Credit Risk – The Board's policy is to only invest in obligations of the United States or its agencies, insured or secured certificates of deposit, secured repurchase agreements, and state or political subdivision obligations with the two highest credit ratings issued by nationally recognized statistical rating organizations (NRSROs). Policy prohibits the purchase of any investments that do not meet the above mentioned criteria. As of June 30, 2016 and 2015, all of the Board's investments were rated AA+ by Standard & Poor's and Aaa by Moody's Investors Service. The Board does not hold corporate bonds and does not participate in investment pools.

Concentration of Credit Risk – Due to the unusually conservative nature of the Board's investment policy, the Board is not at risk due to concentration.

Custodial Credit Risk – Investments – For an investment, this is the risk that in the event of the failure of the counterparty, the Board will not be able to recover the value of its investments. As of June 30, 2016 and 2015, there was no custodial credit risk for the Board's investments due to the Board's investment policy which prohibits obligations not fully secured.

Custodial Credit Risk – Deposits – In the case of deposits, this is the risk that in the event of a bank failure, the Board's deposits may not be returned to it. As of June 30, 2016 and 2015, the Board's deposits were fully covered by FDIC insurance and government-backed securities.

As required by Missouri law, the depository banks pledge securities, in addition to the Federal Depository Insurance Corporation insurance, to equal or exceed the amount on deposit at all times. As of June 30, 2016 and 2015, securities with a total fair value of $17,619,758 and $10,768,306, respectively, were held in a joint custody account with the Federal Reserve Bank.

As of June 30, 2016 and 2015, the Board's cash deposits were collateralized as follows:

Bank Balance		**2016**		**2015**
Insured by the FDIC	$	1,120,788	$	1,255,672
Collateralized with securities pledged by the financial institutions		7,404,950		4,688,616
Total cash deposits	$	8,525,738	$	5,944,288
Carrying value	$	8,519,156	$	5,992,311

The Board's total cash and investments as of June 30, 2016 and 2015 were as follows:

		2016		**2015**
Investments from above	$	42,345,846	$	40,036,104
Cash depoits from above		8,519,156		5,992,311
Total cash and investments	$	50,865,002	$	46,028,415
As reflected on the statement of net position:				
Cash and cash equivalents	$	29,593,482	$	24,995,633
Restricted assets		21,271,520		21,032,782
Total cash and investments	$	50,865,002	$	46,028,415

3. Derivative Instrument – Interest Rate Cap Agreement

A portion of other assets and deferred outflows of resources are composed of the following as of June 30, 2016 and 2015:

		2016		**2015**
Interest rate cap agreement	$	387,000	$	387,000
Adjustment to fair value		(386,638)		(367,964)
Total fair value	$	362	$	19,036

Interest Rate Cap Agreement

In connection with the $9 million debt borrowed from Pulaski Bank (see Note 10), MDFB entered into an interest rate cap agreement with Morgan Stanley Capital Services, LLC, (credit rating of A) to cover a portion of the period (2015-2020) when the debt carries a variable interest rate. The agreement is intended to provide a cash flow hedge for the variable interest rate of the obligation. This agreement's notional amount is based on the amortized loan balance (starting at $8.4 million) with a cap rate of 5.264% and a floating rate of monthly LIBOR. The cost of the interest rate cap agreement was $387,000, and the estimated fair value at June 30, 2016 and 2015, was $362 and $19,036, respectively. The fair value of the interest rate cap was estimated using a proprietary pricing service. MDFB has determined the hedge meets the criteria for effectiveness and has recorded the accumulated adjustment to fair value as a deferred outflow of resources.

<u>Risks</u>:

<u>Credit Risk</u> – MDFB is exposed to credit risk on hedging derivative instruments that are in asset positions. MDFB currently does not have a policy regarding credit risk.

<u>Interest Rate Risk</u> – MDFB is not exposed to interest rate risk on its interest rate cap agreement.

<u>Basis Risk</u> – MDFB is not exposed to basis risk on its interest rate cap hedging derivative instruments because the same variable-rate is used for both debt payments paid by MDFB and the interest rate cap agreement.

Termination Risk – MDFB or its counterparties may terminate a derivative instrument if the other party fails to perform under the terms of the contract.

Rollover Risk – MDFB is exposed to rollover risk on hedging derivative instruments that are hedges of debt that mature or may be terminated prior to the maturity of the hedged debt. When these hedging derivative instruments terminate, or in the case of a termination option, if the counterparty exercises its option, the Board will be re-exposed to the risks being hedged by the hedging derivative instrument.

4. Interfund Activity

(a) Due To/From Other Funds

As of June 30, 2016 and 2015, $147,170 and $177,105, respectively, was due from the SLCCH CID/TDD Fund to the Parking Garage Fund (PGF) for sales tax held by the SLCCH CID/TDD Fund for the benefit of the PGF.

(b) Interfund Transfers

During the year ended June 30, 2016, there were no interfund transfers.

During the year ended June 30, 2015, the Industrial Development and Reserve Fund (IDRF) transferred $1,750,000 to the Parking Garage Fund (PGF) to fund a grant request to the State of Missouri's Division of Workforce Development for the Customized Training Program.

5. Loans, Notes Receivable and Allowance for Loan Losses

Direct loans through the Industrial Development and Reserve Fund (IDRF) represent loans to individual companies and political subdivisions in Missouri and are generally secured. Direct loans through the Revolving Loan Fund (RLF) represent low interest loans made to local political subdivisions which are generally unsecured and to small businesses which are also secured by personal guarantees and personal property of the borrower evidenced by a filing under the Uniform Commercial Code. Loans from the Parking Garage Fund (PGF) represent loans that relate to parking garage projects and are generally secured.

During fiscal year 2010, the Board loaned the St. Louis Centre Garage Investment Fund, LLC (SLCGIF) $24 million to assist with the Seventh Street Garage project (see Note 7). The note matures January 31, 2041, is due in monthly payments of $22,125 (principal and interest), and bears interest at 1%. The Seventh Street Garage Public Parking Corporation (SSGPPC) repays the loans to three CDEs from the parking garage revenues; the CDEs are to pay a monthly income distribution consisting of interest income received from SSGPPC to the SLCGIF; and the SLCGIF repays its note to MDFB.

In February 2010 the Board loaned the Land Clearance for Redevelopment Authority of the City of St. Louis (LCRA) $5 million to assist with the redevelopment of One City Center that is related to the Seventh Street Garage project. The loan is secured by the full-faith and credit obligation of the LCRA and assignment of LCRA's interest in One City Center. Interest is adjusted annually each December 1 to a variable rate equal to the Applicable Interest Rate on each Adjustment Date. For Adjustment Dates occurring on and subsequent to December 1, 2016, the interest rate is equal to the Current Index, which is the weekly average yield on U.S. Treasury securities adjusted to a constant maturity of one year as made available by the Federal Reserve Board, plus 2%. For the years ended June 30, 2016 and 2015, the stated interest rate was 2.10% and 2.12%, respectively. Final maturity is December 1, 2019.

In December 2015 the Board approved a line of credit to the St. Louis Regional Convention and Sports Complex Authority (STL RSA) for up to $3 million in an effort to maintain an NFL team in St. Louis. During the fiscal year ended June 30, 2016, $1 million was drawn on this line of credit. The note carries interest of 4.00% annually, with a final maturity date of January 14, 2021.

As of June 30, 2016 and 2015, the allowance for loan losses was $4,909,372 and $5,153,886, respectively. Allowance for loan losses is evaluated on a per loan basis. During the years ended June 30, 2016 and 2015, the allowance for loan losses was reduced in the Industrial Development and Reserve Fund by $240,064 and $601,807, respectively, due to the collection of installments on the American Fish and Wildlife Museum and Old Post Office loans. The allowance for loan losses was reduced in the Revolving Loan Fund by $4,452 and $26,885, respectively, due to the collection of installments on various MIDOC and Small Business Loan program loans previously fully reserved. The principal amount of the loan payments received from defaulted loans is recorded in other income.

No allowance has been established in connection with the Parking Garage Fund loans due to the nature of the loans.

Loans and notes receivable as of June 30, 2016 and 2015 were as follows:

	2016			2015		
Fund	**Current**	**Long-term**	**Allowance**	**Current**	**Long-term**	**Allowance**
Industrial Development and Reserve	$ 262,700	$ 15,331,800	$ 4,682,185	$ 262,685	$ 14,834,563	$ 4,922,248
Parking Garage	46,625	28,829,896	-	26,962	28,839,296	-
Revolving Loan	229,108	2,082,931	227,187	218,876	2,238,608	231,638
Total	538,433	46,244,627	$ 4,909,372	508,523	45,912,467	$ 5,153,886
Less: allowance for loan losses	-	4,909,372		-	5,153,886	
Total loans and notes receivable, net	$ 538,433	$ 41,335,255		$ 508,523	$ 40,758,581	

6. Restricted Assets

As of June 30, 2016 and 2015, the total Second Loss Debt Service Reserve Fund was $0 and $500,000, respectively, for the City of Grandview Series 2003 Gateway Commons.

Contributions received for tax credits on behalf of other entities are treated as conduit transactions, with the amount of held contributions recorded as restricted assets with a corresponding liability (see Note 9).

In December 2000 the Board issued debt in the amount of $21.1 million to finpance the construction of the St. Louis Convention Center Hotel Garage (SLCCHG) project. Per the Letter of Credit, the Board was required to establish an Operating Reserve and to deposit all net operating profits. Amounts held in the Operating Reserve may be utilized for ongoing operating expenses and debt service on the SLCCHG. Any amount deposited over $1,375,000 may be disbursed without bank consent (also see Note 10 for additional covenants). As of June 30, 2016 and 2015, the balance held in the operating reserve was $3,426,926 and $3,018,306, respectively.

In April 2010 the Board issued debt in the amount of $9 million to assist with the financing of the Seventh Street Garage project. Per the Bond Trust Indenture, the Board was required to hold $4.5 million in a debt service reserve fund at UMB, the trustee bank. In addition, per the Indenture, so long as the bonds are outstanding, MDFB was required to maintain unencumbered and unrestricted net assets in the form of cash and marketable securities in an amount, including any permitted investments in the debt service reserve fund, of not less than $17.5 million. On June 28, 2012 the Board pledged the Ninth Street Garage and its revenues to Pulaski Bank. In exchange, Pulaski agreed to release the requirement that the Board hold $17.5 million in unrestricted cash balances and instead required the Board maintain an operating reserve of $500,000. Also see Note 10 for details.

In April 2010 the SSGPPC executed notes payable totaling $29,840,934 to the three CDEs to fund the construction of the Seventh Street Garage project (see Note 10). The reserve fund accounts were established to cover management and accounting fees associated with the New Markets Tax Credit Program compliance.

As of June 30, 2016 and 2015, the Board had $2,531,291 and $2,654,443, respectively, in total assets restricted in the Parking Garage Fund (PGF) to satisfy the above requirements (see the following table).

The Revolving Loan Fund consists of activities for the MIDOC and Small Business Loan programs. Cash in this fund is restricted for these programs.

Restricted assets consist of the following as of June 30, 2016 and 2015:

	2016	2015
Second loss debt service reserve funds	$ -	$ 500,000
Tax credit for contribution deposits (Note 9)	15,964,594	15,311,214
Total restricted assets - Industrial Development and Reserve Fund	15,964,594	15,811,214
St. Louis Convention Center Hotel Garage reserve deposits	1,375,000	1,375,000
Additional Seventh Street Garage bond reserve deposits	500,000	500,000
SSGPPC NMTC reserve and required funds	656,291	779,443
Total restricted assets - Parking Garage Fund	2,531,291	2,654,443
MIDOC funds	1,615,980	1,591,952
Small Business Loan funds	1,159,655	975,173
Total restricted assets - Revolving Loan Fund	2,775,635	2,567,125
Total restricted assets	$ 21,271,520	$ 21,032,782

7. Capital Assets

During 2000 the Board used a $6 million contribution from a taxpayer and $21.1 million in bond proceeds to purchase land and begin construction of the St. Louis Convention Center Hotel Garage (SLCCHG) adjacent to the St. Louis Convention Center Hotel. The SLCCHG began operations in August 2002.

In April 2003 the Board used a $10 million contribution from a taxpayer and began participating in two related redevelopment projects in downtown St. Louis, Missouri. During 2004 and 2005, $18.8 million in additional funds were raised to fund the remainder of the projects. The first project, commonly referred to as the "Old Post Office Project" or the "OPO Project," consisted of the acquisition and renovation of the U.S. Custom House and Old Post Office, a historic structure in downtown St. Louis. The second project consisted of the acquisition and demolition of the Century Building and the construction of a parking garage located to the west of the OPO Project. This project is known as the "Ninth Street Garage Project" or the "NSG Project." The OPO and NSG Projects are separate and distinct projects for purposes of financial reporting, but integrally linked for development and operational purposes.

The Board acquired title to the OPO Project on October 13, 2004 from the General Services Administration of the United States of America at no cost to the Board. The Board then executed a 99-year lease of the OPO Project with the St. Louis U.S. Custom House and Post Office Building Associates, LP, a Missouri limited partnership (OPO Master Lessee). In connection with the financial closing of the OPO Project on October 14, 2004, the Board made a subordinated loan to the OPO Master Lessee in the amount of $12.75 million to assist in the financing of the OPO Project – the balance was $12,092,551 and $12,355,236 for the years ended June 30, 2016 and 2015, respectively. Pursuant to the OPO Master Lease, the Board has an option to purchase the OPO leasehold interest from the OPO Master Lessee for a two-year period beginning December 31, 2014 at the greater of the fair market value or the development debt outstanding. Renovation of the OPO Project was completed in late 2006.

The NSG Project is owned by the Board and consists of the development and construction of a 1,050-space parking garage located on the west side of Ninth Street directly across from the OPO Project. The land was purchased in April 2003. The Board has entered into long-term parking leases with tenants of the OPO Project and with surrounding businesses and building owners. The NSG Project was completed in 2007.

In April 2010 the Board acquired title to 601 Locust, now known as Seventh Street Garage, via an assignment of purchase and sale agreement with the LCRA. Total consideration for the exchange was approximately $14.2 million. The Board executed two long-term capital leases: a “retail” lease and a “garage” lease (see Note 14).

The lessee of the garage space is the Seventh Street Garage Public Parking Corporation (SSGPPC), the blended component unit. The Seventh Street Garage commenced operations in fiscal year 2011.

SSGPPC’s garage project qualifies for the Federal New Markets Tax Credit Program, which facilitated financing for the project. The garage project is part of a larger redevelopment project affecting adjoining office buildings in St. Louis. For the garage project, MDFB provided indirect funding in the form of a $24 million loan to St. Louis Centre Garage Investment Fund, LLC, an entity 100% owned by U.S. Bank Community Development Corporation (USBCDC). The proceeds of the MDFB loan were combined with New Markets Tax Credit qualified equity investments and provided as an equity investment to each of three non-related community development entities: National Development Council (NDC), Urban Development Fund (UDF) and St. Louis Development Corporation (SLDC). Total proceeds of $29,840,934 (see Note 10) were subsequently loaned to SSGPPC to provide direct financing for the garage project. In addition, SSGPPC received an upfront parking lease payment of $1 million from U.S. Bank, which is recorded as unearned revenue and being amortized over the lease term and also used to fund the project. The garage project is backed by an Indemnity Agreement with the LCRA.

Capital asset activity for the year ended June 30, 2016, was as follows:

	Balance June 30, 2015	Additions	Deletions/ Retirements	Balance June 30, 2016
Capital assets, not being depreciated:				
Land	$ 7,219,739	$ -	$ -	$ 7,219,739
Construction in progress	-	101,229		101,229
Total capital assets not being depreciated	7,219,739	101,229	-	7,320,968
Capital assets, being depreciated:				
Building	75,630,938	39,955	-	75,670,893
Equipment	329,483	59,041	-	388,524
Leasehold improvements	56,211	128,461	-	184,672
Vehicle	19,172	-	-	19,172
Software	23,466	-	-	23,466
Total capital assets being depreciated	76,059,270	227,457	-	76,286,727
Less: accumulated depreciation for:				
Building	14,974,059	1,896,250	-	16,870,309
Equipment	245,244	34,541	-	279,785
Leasehold improvements	56,210	12,846	-	69,056
Vehicle	19,172	-	-	19,172
Software	17,233	3,352	-	20,585
Total accumulated depreciation	15,311,918	1,946,989	-	17,258,907
Total capital assets being depreciated, net	60,747,352	(1,719,532)	-	59,027,820
Total capital assets, net	$ 67,967,091	$ (1,618,303)	$ -	$ 66,348,788

A summary of capital assets by fund at June 30, 2016, was as follows:

	Industrial Development and Reserve Fund	Parking Garage Fund	Total
Land	$ -	$ 7,219,739	$ 7,219,739
Construction in progress	-	101,229	101,229
Building	-	75,670,893	75,670,893
Equipment	100,199	288,324	388,523
Leasehold improvements	56,211	128,462	184,673
Vehicle	19,172	-	19,172
Software	14,626	8,840	23,466
Subtotal	190,208	83,417,487	83,607,695
Less: accumulated depreciation	(186,685)	(17,072,222)	(17,258,907)
Total capital assets, net	$ 3,523	$ 66,345,265	$ 66,348,788

Capital asset activity for the year ended June 30, 2015, was as follows:

	Balance June 30, 2014	Additions	Deletions/ Retirements	Balance June 30, 2015
Capital assets, not being depreciated:				
Land	$ 7,219,739	$ -	$ -	$ 7,219,739
Total capital assets not being depreciated	7,219,739	-	-	7,219,739
Capital assets, being depreciated:				
Building	75,630,938	-	-	75,630,938
Equipment	312,670	16,813	-	329,483
Leasehold improvements	56,211	-	-	56,211
Vehicle	19,172	-	-	19,172
Software	23,466	-	-	23,466
Total capital assets being depreciated	76,042,457	16,813	-	76,059,270
Less: accumulated depreciation for:				
Building	13,084,242	1,889,817	-	14,974,059
Equipment	213,492	31,752	-	245,244
Leasehold improvements	53,348	2,862	-	56,210
Vehicle	19,172	-	-	19,172
Software	13,881	3,352	-	17,233
Total accumulated depreciation	13,384,135	1,927,783	-	15,311,918
Total capital assets, being depreciated, net	62,658,322	(1,910,970)	-	60,747,352
Total capital assets, net	$ 69,878,061	$ (1,910,970)	$ -	$ 67,967,091

A summary of capital assets by fund at June 30, 2015, was as follows:

	Industrial Development and Reserve Fund	Parking Garage Fund	Total
Land	$ -	$ 7,219,739	$ 7,219,739
Building	-	75,630,938	75,630,938
Equipment	100,199	229,284	329,483
Leasehold improvements	56,211	-	56,211
Vehicle	19,172	-	19,172
Software	14,626	8,840	23,466
Subtotal	190,208	83,088,801	83,279,009
Less: accumulated depreciation	(180,402)	(15,131,516)	(15,311,918)
Total capital assets, net	$ 9,806	$ 67,957,285	$ 67,967,091

8. Compensated Absences

Board employees are granted vacation, sick, and compensatory leave. The amounts of accrued vacation and compensatory hours are included as current and non-current liabilities. The current amount due is only an estimate. The costs of sick leave are not accrued. For the fiscal years ended June 30, 2016 and 2015, total accrued compensated absences were $69,268 and $64,696, respectively.

Changes in compensated absences for the year ended June 30, 2016, was as follows:

	Balance June 30, 2015	Additions	Reductions	Balance June 30, 2016	Due Within One Year
Compensated absences	$ 64,696	$ 41,323	$ 36,751	$ 69,268	$ 41,871

Changes in compensated absences for the year ended June 30, 2015, was as follows:

	Balance June 30, 2014	Additions	Reductions	Balance June 30, 2015	Due Within One Year
Compensated absences	$ 70,930	$ 28,924	$ 35,158	$ 64,696	$ 30,043

9. Tax Credit For Contribution Deposits

One of the Board's programs is the Tax Credit for Contribution Program. During any calendar year, the Board can authorize up to $10 million in tax credits. The limitation on tax credit authorization may be exceeded only upon mutual agreement, evidenced by a signed and properly notarized letter, by the Commissioner of the Office of Administration, the Director of the Department of Economic Development, and the Director of the Department of Revenue that such action is essential to ensure retention or attraction of investment in Missouri, provided, however, that in no case shall more than $25 million in tax credits be authorized during such year.

Through this program, the Board is authorized to grant tax credits in an amount equal to 50% of contributions accepted by the Board. Eligible infrastructure projects approved by the Board are granted the contributions. Contributions received by the Board are remitted to fund the project upon requests supported by proof of eligible reimbursable project expenditures or used to fund projects owned by the Board. Contributions on deposit with the Board are reflected as restricted assets and a liability in the accompanying financial statements. As of June 30, 2016 and 2015, the Board held deposits received pursuant to the Tax Credit for Contribution Program of $15,964,594 and $15,311,214, respectively.

10. Long-Term Debt

Changes in outstanding debt for the year ended June 30, 2016, were as follows:

	Balance June 30, 2015	Additions	Reductions	Balance June 30, 2016	Due within one year
Long-term debt	$ 51,935,934	$ -	$ 195,000	$ 51,740,934	$ 359,286

Changes in outstanding debt for the year ended June 30, 2015, were as follows:

	Balance June 30, 2014	Additions	Reductions	Balance June 30, 2015	Due within one year
Long-term debt	$ 52,124,934	$ -	$ 189,000	$ 51,935,934	$ 195,000

A summary of debt held as of June 30, 2016 and 2015 was as follows:

	2016	2015
St. Louis Convention Center Hotel Garage – $3,910,000 Series 2000B, taxable infrastructure facilities revenue bonds; and $11,440,000 St. Louis Convention Center Hotel Garage Series 2000C, tax exempt infrastructure facilities revenue bonds. Variable rate interest installments are paid monthly with interest not to exceed 10% per annum. Remaining principal is due December 1, 2020.	$ 13,650,000	$ 13,650,000
Seventh Street Garage – $9,000,000 Series 2010, Recovery Zone Facility Bonds. Monthly interest installments began July 1, 2010, and monthly principal installments began June 1, 2012. The interest rate per the Interest Deferral Agreement is the lesser of 1.25% plus 30-day LIBOR or 4.25% through April 30, 2015; then a variable rate through May 2020 not to exceed 5.264% pursuant to Interest Rate Cap Agreement (see Note 3). Variable rate thereafter through May 2040.	8,250,000	8,445,000
Seventh Street Garage – $3,424,425 NDC New Markets Investment LVII, LLC (NDC) Loan A note payable; $4,424,779 NDC Loan B note payable; and $2,192,642 NDC Loan C note payable. Fixed interest rate of 0.92% per annum. Monthly interest installments began June 5, 2010. Loan matures December 31, 2040.	10,041,846	10,041,846
Seventh Street Garage – $4,314,775 Urban Development Fund IX, LLC (UDF) Loan A-1 note payable; $5,575,221 UDF Loan B-1 note payable; and $1,909,092 UDF Loan C-1 note payable. Fixed interest rate of 0.92% per annum. Monthly interest installments began June 5, 2010. Loan matures December 31, 2040.	11,799,088	11,799,088
Seventh Street Garage – $6,260,800 St. Louis New Markets Tax Credit Fund-XI, LLC (SLDC) Loan A-2 note payable; and $1,739,200 SLDC Loan C-2 note payable. Fixed interest rate of 0.92% per annum. Monthly interest installments began June 5, 2010. Loan matures December 31, 2040.	8,000,000	8,000,000
Total	51,740,934	51,935,934
Less: current portion	(359,286)	(195,000)
Long-term debt	$ 51,381,648	$ 51,740,934

St. Louis Convention Center Hotel Series 2000B and 2000C

The annual debt service requirement as of June 30, 2016, was as follows:

	Principal	Interest	Total
2017	$ -	$ 13,345	$ 13,345
2018	-	13,345	13,345
2019	-	13,345	13,345
2020	-	13,345	13,345
2021	13,650,000	13,345	13,663,345
Totals	$ 13,650,000	$ 66,725	$ 13,716,725

The bonds have mandatory sinking fund redemptions that are the equivalent of maturing principal as indicated above. The annual debt service schedule above assumes an interest rate of 0.098% representing the interest rate at June 30, 2016. Debt is further collateralized by Bond Guarantee Tax Credits equal to the outstanding amount of the obligation and a Deed of Trust on the St. Louis Convention Center Hotel Garage (SLCCHG).

The Series 2000B bonds bear interest at a weekly rate; the Series 2000C bonds bear interest at a daily rate. The interest rate on bonds will be determined by the remarketing agent as the lowest rate of interest which in its judgment will cause the bonds to have a market value, as of the date of determination, equal to the principal amount of the bonds, taking into account prevailing market conditions.

On September 1, 2016, the Board paid a partial redemption of $2,000,000 on the Series 2000C bonds.

Seventh Street Garage Series 2010:

The annual debt service requirement as of June 30, 2016, was as follows:

	Principal	Interest	Total
2017	$ 204,000	$ 117,755	$ 321,755
2018	214,000	114,756	328,756
2019	223,000	111,616	334,616
2020	232,000	108,335	340,335
2021	242,000	104,912	346,912
2022-2026	1,377,000	467,878	1,844,878
2027-2031	1,705,000	357,232	2,062,232
2032-2036	2,107,000	220,461	2,327,461
2037-2040	1,946,000	56,512	2,002,512
Totals	$ 8,250,000	$ 1,659,459	$ 9,909,459

The bonds are set for monthly mandatory sinking fund redemptions that are the equivalent of maturing principal as indicated above. The Board is required to deposit all amounts received from Seventh Street Garage Public Parking Corporation to UMB Bank, N.A. for payment on the bonds. The Board may request a withdrawal of funds exceeding the $500,000 minimum balance requirement (see Note 6). For the period ended June 30, 2016, the Board was in compliance with said requirement. Debt is further collateralized by Bond Guarantee Tax Credits equal to the outstanding amount of the obligation plus any accrued interest, a Deed of Trust on the Seventh Street Garage, and a Deed of Trust on the Ninth Street Garage.

As of June 28, 2012 through April 30, 2015, the Board entered into an Interest Deferral Agreement whereby the bond interest rate is the lesser of the Modified Pay Rate or 4.25% annually. The Modified Pay Rate is defined as the LIBOR rate plus 1.25% per annum (or 1.65% per annum if the Ninth Street Garage Deed of Trust is removed

as collateral). The difference between the two rates is deferred until due or forgiven. The Board anticipates the deferred interest will be forgiven.

For the period May 1, 2015 through maturity, the bonds will carry a variable rate of interest. MDFB has the option to select from three variable interest rates prior to each interest rate period: a monthly term rate equal to LIBOR (not less than 3%), an annual term rate (1-year U.S. Treasury Rate plus 2.5% but not less than 3%), or a 5-year fixed term rate (5-year Treasury rate plus 2.5% but not less than 4.25%). For the period beginning May 2015 and ending May 2020, the rate paid by MDFB will not exceed 5.264% pursuant to a rate cap agreement with Morgan Stanley Capital Services, LLC (see Note 3).

Seventh Street Garage Notes Payable

As described below, $29,840,934 of the total outstanding long-term debt of the Board is attributable to the Seventh Street Garage Public Parking Corporation (SSGPPC), a wholly owned non-profit subsidiary of the Board formed by the Board in 2010 to facilitate participation in the Federal New Markets Tax Credit Program. The debt of SSGPPC consists of three loans, each of which bears interest at 0.92% per annum. Interest on the loans through 2017 (the standard 7-year tax credit period) was funded at the time the loans were closed as reflected in the financial statements as SSGPPC reserve and required funds. In connection with the loans, the Board entered into an Investment Put and Call Agreement (Put/Call Agreement) with U.S. Bancorp Community Development Corporation (USBCDC), the sole manager of the investment fund that provided for the original funding of the loans. The Put/Call Agreement gives the USBCDC the right to put its interest in the Investment Fund to the Board at the end of the 7-year period upon payment of the Board of $1,000. If USBCDC does not put its interest, the Board has the right to call (purchase) USBCDC's interest at a purchase price equal to the greater of the fair market value of such interest or $1,000. As is common with New Markets Tax Credit transactions, the Board expects either the put to be exercised for the payment of a nominal sum, or the call to be exercised in exchange for a payment equal to the fair value of the Investment Fund interest, in each case resulting in the Board having the power to extinguish the debt of SSGPPC.

NDC New Markets Investment LVII, LLC Loan A, B and C notes payable:

The annual debt service requirement as of June 30, 2016, was as follows:

	Principal	Interest	Total
2017	$ 155,286	$ 92,147	$ 247,433
2018	-	90,956	90,956
2019	-	90,956	90,956
2020	231,974	90,778	322,752
2021	323,828	88,574	412,402
2022-2026	1,860,393	395,094	2,255,487
2027-2031	2,314,179	301,090	2,615,269
2032-2036	2,847,653	184,729	3,032,382
2037-2040	2,308,533	46,818	2,355,351
Totals	$ 10,041,846	$ 1,381,143	$ 11,422,989

Urban Development Fund IX, LLC Loan A-1 and B-1 notes payable

The annual debt service requirement as of June 30, 2016, was as follows:

	Principal	Interest	Total
2017	$ -	$ 108,552	$ 108,552
2018	-	108,552	108,552
2019	-	108,552	108,552
2020	276,848	108,339	385,187
2021	386,470	105,708	492,178
2022-2026	2,220,279	471,524	2,691,803
2027-2031	2,761,852	359,335	3,121,187
2032-2036	3,398,525	220,464	3,618,989
2037-2040	2,755,114	55,875	2,810,989
Totals	$ 11,799,088	$ 1,646,902	$ 13,445,990

St. Louis New Markets Tax Credit Fund-XI, LLC Loan A-2 and C-2 notes payable

The annual debt service requirement as of June 30, 2016, was as follows:

	Principal	Interest	Total
2017	$ -	$ 73,600	$ 73,600
2018	-	73,600	73,600
2019	-	73,600	73,600
2020	187,708	73,456	261,164
2021	262,034	71,672	333,706
2022-2026	1,505,391	319,702	1,825,093
2027-2031	1,872,588	243,636	2,116,224
2032-2036	2,304,263	149,479	2,453,742
2037-2040	1,868,016	37,885	1,905,901
Totals	$ 8,000,000	$ 1,116,630	$ 9,116,630

11. Unearned Revenue

In April 2010 SSGPPC paid MDFB base rent of $6,406,643 under a capital lease agreement (see Note 7). MDFB has recorded unearned revenue in the amount of $864,871 and $877,496 for the fiscal years ended June 30, 2016 and 2015, respectively, due to the difference between the minimum lease payment and the estimated fair market value of the building of $5,463,913 at the time of closing.

Also in April 2010 U.S. Bank prepaid rent of $1 million to the SSGPPC. The prepayment is reflected in unearned revenue and is amortized over the life of the lease. For the fiscal years ended June 30, 2016 and 2015, Seventh Street Garage unearned revenue was $819,444 and $852,778, respectively, for parking rent paid in advance.

In addition, for the fiscal years ended June 30, 2016 and 2015, St. Louis Convention Center Hotel Garage unearned revenue was $67,805 and $66,846, respectively, for parking rent paid in advance.

Total unearned revenue for fiscal years ended June 30, 2016 and 2015 was $1,752,120 and $1,797,120, respectively.

12. Rental Income

The Parking Garage Fund's St. Louis Convention Center Hotel Garage (SLCCHG) 880-space parking garage was constructed by the Board to support the St. Louis Convention Center Hotel project in downtown St. Louis. The carrying value of the garage is $21,913,825, less accumulated depreciation of $5,986,193 and $5,556,048 as of June 30, 2016 and 2015, respectively. In May 2014 the Board executed a license agreement with 800 Washington, LLC and Lennox Suites, LLC (Licensees), the new owners of the Renaissance Grand Hotel. The agreement is in effect through June 30, 2054. Under the agreement with 800 Washington, LLC, 275 undesignated, unreserved parking spaces are allocated by the Operator for daily use by the Hotel guests with the option of an additional 325 spaces with a 7 days prior notice. The Licensee is to pay a base annual license charge of $62,500 per month plus an amount equal to 40% of the amount by which operating expenses in the garage exceeds $560,000. Under the agreement with Lennox Suites, LLC, 50 undesignated, unreserved spaces are allocated by the Operator for daily use by the Courtyard Marriott Hotel guests with the option of an additional 50 spaces with 2 days prior notices. Starting July 1, 2016 the Licensee is to pay a base annual license charge of $100,000 per annum. Effective July 1, 2017 the Licensee will also incur an amount equal to 10% of the amount by which operating expenses in the garage exceed $570,000. In addition to the Hotels, the nearby Merchandise Mart, a mixed-use development with apartments and retail space, has a lease for up to 118 spaces in this parking garage with minimum annual lease payments of $25,000. The initial lease is for 19 years with an expiration date of December 31, 2021. There is a renewal option for an additional 11 years if the Merchandise Mart pays a $50,000 renewal fee 90 days prior to the lease expiration term. The STL Loft Partners, LLC executed a lease with the Board on October 19, 2012 for 50 years; 40 spaces are to be taken the first year, and up to 35 additional spaces could be requested with notice by May 31, 2014. On May 31, 2014 STL Loft Partners, LLC notified the Board that the final number of spaces to be leased is 65. Both the Merchandise Mart and STL Loft Partners, LLC leases call for parking rates to be equivalent to rates paid by the general public for monthly parking.

The Parking Garage Fund's Ninth Street Garage (NSG) is a 1,050-space parking garage constructed by the Board to support the renovation of the Old Post Office project and redevelopment of adjacent vacant buildings in downtown St. Louis. The carrying value of the garage is $32,474,135, less accumulated depreciation of $7,046,300 and $6,297,307 as of June 30, 2016 and 2015, respectively. Leases are in place with the Eastern District Court of Appeals, Webster University, Frisco Associates, Pyramid Construction (which was assigned to Paul Brown Developer, LP), and entities associated with the Syndicate Building. The Office of Administration for the State of Missouri is on a month-to-month basis, and currently utilizes 188 spaces. In October 2012 STL Tower Partners, LLC executed a lease for up to 165 reserved spaces and had to provide notice as to the maximum number of spaces they would occupy. On August 1, 2014 the Board received notice as to the number of spaces would be 100. The lease was amended on July 1, 2015 to add 50 unreserved spaces that had to be taken by October 1, 2015. The Board's garage operator also initiated an agreement beginning August 2014 with St. Louis University Law School for up to 350 parking spaces.

Under a lease dated November 26, 2008, the Board leased the 20,800 square feet of retail space in the NSG to SMI-NSG, LLC, an affiliate of Schnucks Markets, Inc. and DESCO. The lessee operates an urban concept grocery store, Culinaria, and pays annual rent of $187,200. The lease is on a triple net basis. The term of the lease is 10 years with 6, 5-year renewal options. The Board also entered into a Parking Validation Agreement that provides store customers with free parking for 1 hour from 9-to-5 on weekdays and 2 hours at all other times, as well as a provision for free employee parking for up to 336 hours per day. There also is an agreement with Schnucks Markets, Inc. to share in the additional expenses for weekend staffing of the parking garage. In August 2009 the Board funded SMI-NSG, LLC $1.1 million of remaining NSG bond funds for tenant improvements.

The Parking Garage Fund's 750-space Seventh Street Garage began operations in February 2011. The carrying value of the garage is $28,462,718 less accumulated depreciation of $3,838,487 and $3,121,591 as of June 30, 2016 and 2015, respectively. The Seventh Street Garage Public Parking Corporation (SSGPPC) executed 2 parking leases that became effective February 1, 2011.

The first lease is a parking lease agreement with U.S. Bank, NA which leases 400 parking units. The term of the lease is for 30 years and there are 2, 10-year renewal options. The parking rent is the greater of $125 per month, the market rate, or the monthly contract rate as defined in the agreement, but never less than the amount in effect for the prior year. Lease payments are payable on the first of each month. The rent will be determined annually at least 30 days preceding the effective date and each anniversary date of the effective date. In addition to the base rent described above, the tenant paid supplemental rent of $1 million (see Note 11) which was recorded as unearned revenue and is being amortized over the term of the lease.

In addition to the lease with U.S. Bank, SSGPPC also leases parking spaces to 600 Tower, LLC. The lease covered a total of 240 parking spaces (85 reserved and 155 unreserved) upon initiation of the lease, increasing by 15 additional unreserved spaces up to 475 units; and monthly rent was $155 per reserved space, and $125-$130 per unreserved space adjusted $5 every 2 years during the lease term. Currently, the Tower takes a total of 475 spaces (89 reserved and 386 unreserved) at $165 per reserved space and $130-$140 per unreserved space. Monthly rent can also be adjusted based on market rent. The term of the lease is for 30 years and there are 2, 10-year renewal options.

Parking lease income is reflected in the S*tatements of Revenues, Expenses, and Changes in Net Position* as *Parking garage revenues* and the Schnucks Markets, Inc. retail space lease income is shown as *Rental income*.

Future minimum rental income on non-cancelable operating leases was as follows:

	St. Louis Convention Center Hotel Garage	Ninth Street Garage	Seventh Street Garage (SSGPPC)
2017	$ 976,400	$ 731,190	$ 1,445,100
2018	976,400	712,200	1,445,100
2019	976,400	706,800	1,473,600
2020	976,400	580,800	1,473,600
2021	976,400	487,200	1,502,100
2022-2026	4,769,500	2,436,000	7,681,500
2027-2031	4,757,000	1,860,000	8,052,000
2032-2036	4,757,000	1,806,000	8,394,000
2037-2041	4,757,000	1,394,000	8,764,500
2042-2046	4,757,000	1,365,000	-
2047-2051	2,207,000	836,250	-
2052-2056	507,000	780,000	-
2057-2061	507,000	780,000	-
2062	25,350	156,000	-
Totals	$ 31,925,850	$ 14,631,440	$ 40,231,500

13. Contributions To Others

In fiscal year 2015 the Board approved a grant to the Division of Workforce Development of $1.75 million to provide additional funding to the Missouri Job Development Fund for the Customized Training Program (see Note 4(b)). In addition, the Board approved a $100,000 grant to the Ferguson Commission for support. The expense is presented as contributions to others.

MDFB is the sole member of SSGPPC. Per the SSGPPC bylaws, all excess cash is transferred monthly to MDFB. However, in fiscal years 2016 and 2015, a management decision was made to let a portion of the excess cash accumulate in order to fund significant repairs at the Seventh Street Garage. As a result, SSGPPC contributed $0 and $62,503 to MDFB in fiscal years 2016 and 2015, respectively. Any contributed revenue is netted to zero on the *Statements of Net Position* due to the blending of the SSGPPC component unit within the Parking Garage Fund; the contribution is shown in the *Combining Schedules of Net Position for the Parking Garage Fund*.

14. Lease Agreements

(a) 601 Locust Street, St. Louis, Missouri

In fiscal year 2010 MDFB purchased the entire real estate and building commonly known as St. Louis Centre (601 Locust Street in St. Louis) for approximately $14.2 million from St. Louis Centre Building, LLC (see Note 7).

MDFB, in turn, immediately leased most of Floor 2 and Floors 3-4 to SSGPPC for a term of 75 years (expiring in 2085) for a one-time lease payment of approximately $6.4 million; and leased Floor 1 and the remainder of Floor 2 to Mercantile Exchange, Inc. (MEI), an unrelated entity, for a term of 100 years (expiring in 2110) for a one-time lease payment of approximately $8.8 million. The leases are treated by MDFB as capital leases for accounting purposes and as a sale for income tax purposes.

MDFB classified its leases with SSGPPC and MEI as direct financing leases. MDFB received the minimum lease payments of approximately $14.2 million upfront and will not receive any further lease payments. As a result, MDFB recorded a net investment in direct financing leases of $0 and unearned income of $942,730, respectively, included in unearned revenue (see Note 11). The unearned revenue is being amortized over the terms of the leases.

<u>Garage Lease – SSGPPC</u>: SSGPPC paid MDFB base rent of approximately $6.4 million in a lump sum upfront payment at lease inception. No further lease payments are required, although SSGPPC is required to pay costs of maintenance, operation, and repair of the property. Of the total amount, approximately $5.5 million was capitalized as building and the difference was recorded as prepaid lease expense to be amortized over the life of the lease.

At the end of the lease term, MDFB will take ownership of the completed garage (see Note 7)

<u>Retail Lease – MEI</u>: MEI paid MDFB base rent of approximately $8.8 million in a lump sum upfront payment at lease inception through the assignment of a promissory note from the subtenant MX Retail, LLC (MXR). MDFB assigned this promissory note without recourse to the seller of the property in order to cover a portion of the cost to acquire the property. No further lease payments are required. MEI's subtenant is developing the leased floors into retail space, and the completion of the retail space is the responsibility of MEI. MDFB is not involved in the retail development.

At the end of the lease, MEI will deliver possession back to MDFB, unless MEI causes the building to be converted into 2 or more condominium units (1 for the garage and 1 for the retail space) and exercises its option to purchase the retail space for $100,000. MEI must meet certain conditions in order to exercise this option.

(b) Office Lease Obligation

In October 2004 the Board entered into a lease with Hotel Governor of Jefferson City, LLP, to lease 3,501 square feet on the 10th Floor of the Governor Office Building. The lease is an operating lease with a term of 10 years. The Board has capitalized related tenant improvements in the amount of $56,211. In July 2014 the Board renewed its lease for a 5-year term with a 5-year option. During fiscal years 2016 and 2015, rent totaling $66,588 and $65,282 was paid, respectively.

Future minimum lease payments for this lease are as follows:

	Hotel Governor
2017	$ 67,920
2018	69,278
2019	70,664
2020	72,077
2021	73,519
2022	74,989
2023	76,489
2024	78,018
2025	19,601
Total future minimum lease payments	$ 602,555

(c) KC Overhaul Base Lease

In December 2004 the Board accepted a contribution from the EDC Loan Corporation (EDC), a not-for-profit organization, consisting of an assignment of a 50-year leasehold interest in the Kansas City Overhaul Base located adjacent to the Kansas City International Airport (the Overhaul Base).

EDC's contribution to the Board of the leasehold interest was valued by two independent appraisers at the lowest value of $32 million. In return, the Board issued a total of $16 million in contribution tax credits to EDC. These tax credits were sold in accordance with the Tax Credit Agreement to independent parties on March 3, 2005, July 2, 2005, and June 30, 2006; total proceeds were $13.76 million. The Board paid the proceeds from the tax credit sales less the Board fee to the City to be used for the renovation of the Overhaul Base.

In addition, the City and the Board entered into an assumption agreement as of December 31, 2004 with the City assuming all responsibility and liability relating to ownership, management and operations of the Overhaul Base. As a result of this assumption of the leasehold interest by the City, the Board has no assets or liabilities related to the leasehold interest recorded in its financial statements.

In May 2015, the Board executed an Amendment to the Tax Credit Agreement containing a provision that the City will return all unexpended tax credit proceeds to the Board by September 20, 2017. As of the City's fiscal year end of April 30, 2015, the balance of the tax credit proceeds remaining was approximately $5 million. The City expects to utilize all funds. MDFB will continue to monitor expenditure.

(d) State of Missouri Acting By and Through Its Office of Administration

In November 2005 and May 2006, the Board issued Series 2005 and 2006 Leasehold Revenue Bonds for the benefit of the State of Missouri Office Buildings Project. With the proceeds of the bonds, the Board purchased 4 office buildings, which it then leased on a triple net basis, to the State of Missouri through its Office of Administration (OA) for the term of the debt, 25 years, subject to annual State appropriation of lease payments needed to retire the fixed rate, level amortization bonds. The Board transferred its interests in the lease agreement and security interest in the buildings to the bond trustee through a trust indenture.

Bond payments are to be paid exclusively from rent revenues received. In addition, payment of the Series 2005 Bonds is insured by a municipal bond new issue insurance policy. The bonds do not constitute a debt or liability of the Board.

Upon request, the State has the option to purchase the buildings. Furthermore, once bonds are paid in full, ownership defers to the State. The State retains all rights and obligations of ownership of the buildings. As a result, the Board has excluded the buildings and related debt from its financial statements.

In June 2013 the Board issued Series 2013A Leasehold Revenue Refunding Bonds (State of Missouri Office Building Projects), for $21,820,000 to provide for the defeasance, payment and discharge of a portion of the $28,995,000 Missouri Development Finance Board, Series 2005 Leasehold Revenue Bonds (State of Missouri Office Building Projects). Bond proceeds were placed in escrow and in September 2015, Series 2005 bonds with maturities from 2016 through 2030 were redeemed.

In June 2013 the Board issued Series 2013B Leasehold Revenue Refunding Bonds (State of Missouri Office Building Project), for $7,450,000 to provide for the defeasance, payment and discharge of a portion of the $9,865,000 Missouri Development Finance Board, Series 2006 Leasehold Revenue Bonds (State of Missouri Office Building Project). Bond proceeds were placed in escrow and in September 2015, Series 2006 bonds with maturities from 2016 through 2030 were redeemed.

(e) MasterCard International Incorporated Facility Lease

In 1999 the Board issued bonds for $154 million to fund construction of approximately 414,000 square feet of office space and an 114,000-square foot data and energy center on 52 acres in O'Fallon. In order for MasterCard to qualify for tax abatement, the Board took title to the property which it leased to the O'Fallon Public Facilities Authority (Authority). The Authority used the proceeds of the bond issue to build and equip the MasterCard project, and then leased the building to MCI O'Fallon 1999 Trust (Trust), which further subleased to MasterCard. In 2008 MasterCard exercised its option to refund the bonds. The Board issued $160 million in conduit debt to facilitate the refunding. The refunding eliminated the Authority and the Trust and resulted in the Board leasing to MasterCard directly.

Bond payments and related interest are to be paid exclusively from rent and other revenues from the lease agreement. Such payments, revenues and receipts are pledged and assigned to the bond trustee as security for the payment of the bonds as provided in the Bond Indenture. The bonds do not constitute a debt or liability of the Board.

Upon request, MasterCard has the option to purchase the buildings. Furthermore, once bonds are paid in full, MasterCard can purchase the facility for $10. MasterCard retains all rights and obligations of ownership of the buildings.

As a result, the Board has excluded the buildings and related debt from its financial statements.

15. Fair Value Measurements

For assets and liabilities required to be reported at fair value, U.S. generally accepted accounting principles prescribes a framework for measuring fair value and financial statement disclosures about fair value measurements. A fair value hierarchy has been established that distinguishes between market participant assumptions based on market data obtained from sources independent of the reporting entity (observable inputs that are classified within Levels 1 and 2 of the hierarchy) and the reporting entity's own assumptions about market participant assumptions (unobservable inputs classified within Level 3 of the hierarchy).

The fair value hierarchy as prescribed by U.S. generally accepted accounting principles is as follows:

Level 1 – Valuation is based upon quoted prices (unadjusted) in active markets for identical assets or liabilities that the Board has the ability to access.

Level 2 – Valuation is based upon quoted prices for similar assets and liabilities in active markets, as well as inputs that are observable for the asset or liability (other than quoted prices), such as interest rates, foreign exchange rates, and yield curves that are observable at commonly quoted intervals.

Level 3 – Valuation is generated from model-based techniques that use at least one significant assumption based on unobservable inputs for the asset or liability, which are typically based on an entity's own assumptions, as there is little, if any, related market activity.

In instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety. The Board's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the asset or liability.

The Board's assets and liabilities measured at fair value on a recurring basis as of June 30, 2016 and 2015, aggregated by the level in the fair value hierarchy within which those measurements fall, are as follows:

2016 Description	Total	Level 1	Level 2	Level 3
Measured at fair value:				
Money market funds	$ 1,620,008	$ 1,620,008	$ -	$ -
U.S. government agency discount notes	18,069,504	-	18,069,504	-
Overnight repurchase agreements	22,656,334	-	22,656,334	-
Total investments	$ 42,345,846	$ 1,620,008	$ 40,725,838	$ -

2015 Description	Total	Level 1	Level 2	Level 3
Measured at fair value:				
Money market funds	$ 2,424,355	$ 2,424,355	$ -	$ -
U.S. government agency discount notes	12,629,524	-	12,629,524	-
Overnight repurchase agreements	24,982,225	-	24,982,225	-
Total investments	$ 40,036,104	$ 2,424,355	$ 37,611,749	$ -

Level 1 classifications consist of money market funds that are valued at the daily closing price as reported by the fund.

Level 2 classifications consist of U.S. government agency discount notes and overnight repurchase agreements that are valued based on third party pricing services for identical or similar assets.

No investments are classified as Level 3.

16. Commitments And Contingencies

(a) Administrative Services Agreement

In April 2010 the Board entered into an Administrative Services Agreement with the SSGPPC. Because SSGPPC does not have employees of its own, it has agreed to pay the Board $30,000 annually to cover the costs associated with managing and maintaining adequate records on its behalf.

(b) Conduit Bond Issues

As of June 30, 2016, the Board has issued $1,637,967,574 in Private Activity Bonds and $2,436,209,000 in Public Purpose and Refunding Revenue Bonds. The outstanding balances on these bonds and notes as of June 30, 2016, were approximately $563,517,281 and $943,924,000, respectively.

As of June 30, 2015, the Board has issued $1,585,422,574 in Private Activity Bonds and $2,386,759,000 in Public Purpose and Refunding Revenue Bonds. The outstanding balances on these bonds and notes as of June 30, 2015, were approximately $539,847,171 and $1,067,269,000, respectively.

The Board has no liability for repayment of these revenue bonds and notes aside from second loss reserve fund deposits; accordingly, these bonds and notes have not been recorded in the accompanying financial statements. Security for the bondholders consists of the unconditional obligation of the borrowers to repay the bonds and notes and in certain cases, insurance, letters of credit, annual appropriation pledges and certain funds held through trustees under the various indentures.

(c) Risk Management

The Board is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; and workers' compensation claims. The Board carries commercial insurance for theft of assets and workers' compensation. The Board carries commercial property, comprehensive liability, and business interruption insurance policies on the St. Louis Convention Center Hotel and Ninth Street parking garages. The Board is self-insured for all other risks of loss.

The Seventh Street Garage Public Parking Corporation carries commercial property, comprehensive liability, and business interruption insurance policies on the Seventh Street Garage.

Except for in fiscal year 2014, the Board had no material unpaid claims, liabilities, or settlements related to any loss in any of the past 3 years. During fiscal year 2014, the Seventh Street Garage sustained a loss due to pipes breaking during extremely low temperatures. The break resulted in $190,707 in damage to the garage which has since been repaired. The Board has met with engineers to insure that such an event does not happen in the future. The proceeds from the loss, net of the $25,000 deductible, were offset against the expenses incurred. No substantive changes were made in the type and amounts of the Board's insurance coverage during 2016 and 2015.

(d) DREAM Commitments

In August 2006 the Board, the Department of Economic Development (DED) and the Missouri Housing Development Commission (MHDC) initiated the DREAM program. Through June 30, 2016, 40 communities have been selected to receive technical assistance and services to support them in their downtown redevelopment efforts. The Board has contracted with Peckham Guyton Albers & Viets, Inc. to assist in the redevelopment process of the selected communities. Each community is to receive technical assistance over the course of 3 years. The Board is in the process of finalizing all obligations under this program. During the fiscal years ended June 30, 2016 and 2015, the Board spent approximately $250,000 and $326,000, respectively, towards the program.

(e) Small Business Loan Program

In January 2009 Governor Jeremiah W. (Jay) Nixon issued Executive Order 09-03 (E.O.) shortly after assuming office. This E.O. directed the DED to work with the Board "to create a pool of funds designated for low-interest and no-interest direct loans for small businesses." Related announcements from Governor Nixon recommended this pool of funds be capitalized by a $2 million grant from the Board. In April 2009 the Board approved funding the $2 million program. As of June 30, 2016, the Board has loaned approximately $1.9 million to 60 small businesses and 1 small business disaster relief loan program across the State of Missouri. The Board continues to work with DED to loan the remaining funds. The Small Business Loan Program is reflected in the Revolving Loan Fund (RLF). (see Note 5).

(f) Indemnity Agreement

In connection with the Seventh Street Garage Project, MDFB and SSGPPC entered into a project indemnity agreement with the LCRA and MXG. As part of the agreement, MDFB paid LCRA $417,785 and LCRA agreed to pay all New Markets Tax Credit consulting fees and expenses. Additionally, LCRA agreed to cover excess costs in the event of changes in New Markets Tax Credit compliance or as a result of recapture. Finally, LCRA also agreed to cover unforeseen costs associated with fees, taxes, permits, litigation or costs to unwind the New Markets Tax Credit financing plan.

17. Employees' Retirement Benefits – Deferred Compensation Plan

Board employees are eligible to contribute to the State of Missouri's Deferred Compensation Plan. Upon completing 1 year of employment, employees are eligible to receive a maximum $35 contribution per month if the employee also makes at least a $35 contribution per month (this provision has been indefinitely suspended). The Deferred Compensation Plan is an eligible state deferred compensation plan as defined by Section 457 of the Internal Revenue Code. Effective January 1, 1999 amounts deferred under the plan are held in trust for the exclusive benefit of the plan participants and their beneficiaries.

18. Employees' Retirement Benefits – Defined Benefit Pension Plan

(a) General Information about the Pension Plan

- Plan description – Benefit-eligible employees of the Board are provided with pensions through Missouri State Employees Retirement System (MOSERS) – a cost-sharing, multiple-employer defined benefit pension plan. Chapter 104.320 of the Revised Statutes of Missouri grants the authority to establish a defined benefit plan for eligible state and other related agency employees. MOSERS issues an annual Comprehensive Annual Financial Report (CAFR), a publicly available financial report that can be obtained at *www.mosers.org.*

- Benefits provided – MOSERS provides retirement, life insurance, and long-term disability benefits to eligible employees. The retirement benefits are calculated by multiplying the employee's final average pay by a plan-specific factor multiplied by the years of creditable service. The factor is based on the plan in which the employee participates, dependent upon the employee's hire date. Information including eligibility and benefit formulas on the 2 retirement plans administered by MOSERS (MSEP-closed plan and MSEP 2000, which includes the MSEP 2011 tier) may be found in the Notes to the Financial Statements of MOSERS' CAFR.

- Contributions – Per Chapter 104.436 of the Revised Statutes of Missouri, contribution requirements of the active employees and the participating employers are established and may be amended by the MOSERS Board of Trustees. Employees in the MSEP 2011 tier of the MSEP 2000 are required to contribute 4.0 percent of their annual pay. The Board's contribution rate for both of the years ended June 30, 2016 and 2015, was 16.97 percent of annual payroll and actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The contribution rate for both of the MOSERS fiscal years ended June 30, 2016 and 2015, was 16.98 percent, which are the years of measurement for the net pension liability. Contributions to the pension plan from the Board were $83,122 and $83,453 for the years ended June 30, 2016 and 2015, respectively.

(b) Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension

As of June 30, 2016 and 2015, the Board reported a liability of $812,507 and $602,887, respectively, for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015 and 2014, respectively, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of those dates.

The Board's proportion of the net pension liability was based on the Board's actual share of contributions to the pension plan relative to the actual contributions of all participating employers for MOSERS plan years ended June 30, 2015 and 2014, respectively. As of both June 30, 2015 and 2014, the Board's proportion was 0.0256 percent.

There were no changes in benefit terms during the MOSERS plan years ended June 30, 2015 and 2014, that affected the measurement of total pension liability.

For the years ended June 30, 2016 and 2015, the Board recognized pension expense of $79,542 and $56,675, respectively.

As of June 30, 2016, the Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2016	
	Deferred Outflows of Resources	**Deferred Inflows of Resources**
Differences between expected and actual experience	$ 1,518	$ -
Net difference between projected and actual earnings on pension plan investments	62,386	(22,061)
Board contributions subsequent to the measurement date of June 30, 2015	79,588	-
Total	$ 143,492	$ (22,061)

Deferred outflows of resources related to pensions totaling $79,588 resulting from Board contributions subsequent to the measurement date through June 30, 2016, will be recognized as a reduction of the net pension liability in the year ending June 30, 2017.

As of June 30, 2015, the Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2015	
	Deferred Outflows of Resources	**Deferred Inflows of Resources**
Differences between expected and actual experience	$ 2,349	$ -
Net difference between projected and actual earnings on pension plan investments	-	(175,787)
Board contributions subsequent to the measurement date of June 30, 2014	83,122	-
Total	$ 85,471	$ (175,787)

Deferred outflows of resources related to pensions totaling $83,122 resulting from Board contributions subsequent to the measurement date through June 30, 2015, were recognized as a reduction of the net pension liability in the year ended June 30, 2016.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in the Board's fiscal year following MOSERS' fiscal year as follows:

Year Ending June 30		
MOSERS	Board	Amount
2016	2017	$ 77,461
2017	2018	(2,223)
2018	2019	(2,021)
2019	2020	48,214
		$ 121,431

Actuarial assumptions – The total pension liability in the June 30, 2015 and 2014 actuarial valuations, which are also the measurement dates for GASB 68 purposes, was determined using the following actuarial assumptions, applied to all periods included in the measurement:

2015	
Inflation	2.5 percent, approximate
Salary increases	0 to 3.0 percent annually, average, including inflation
Investment rate of return	8.0 percent per year, compounded annually, net after investment expenses and including inflation

2014	
Inflation	2.5 percent, approximate
Salary increases	3.0 to 5.9 percent annually, average, including inflation
Investment rate of return	8.0 percent per year, compounded annually, net after investment expenses and including inflation

Mortality rates were based on the RP-2000 combined healthy mortality table projected to 2016 with Scale AA. The pre-retirement mortality rates used were 100% of the post-retirement mortality rates for males and 80% of the post-retirement mortality rate for females, as appropriate, with adjustments for mortality improvements based on Scale AA.

The actuarial assumptions used in the June 30, 2015 and 2014 valuations were based on the results of an actuarial experience study for the period July 1, 2007 to June 30, 2011. As a result of the 2011 actuarial experience study, the MOSERS Board made various demographic assumption changes to more closely reflect actual experience. The most significant change was lowering the assumed annual investment rate of return from 8.5 percent to 8.0 percent.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates rates of expected future real rates of return (expected returns, net of pension plan investment expense) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of geometric real rates of return for each major asset class included in MOSERS' target asset allocation as of June 30, 2015 and 2014 are summarized in the following tables.

2015

Asset Class	Policy Allocation	Long-term Expected Real Rate of Return*	Weighted Average Long-Term Expected Real Rate of Return
Beta-balanced	80.0%	5.7%	4.6%
Illiquids**	20.0	7.3	1.5
Total	100.0%		6.1%

* Represent best estimates of geometric rates of return for each major asset class included.

** Illiquid portfolio upper limit of 27.5% of capital, no new commitments past 23%.

2014

Asset Class	Policy Allocation	Long-term Expected Real Rate of Return*	Weighted Average Long-Term Expected Real Rate of Return
Beta-balanced	76.6%	5.7%	4.4%
Illiquids**	19.2	7.3	1.4
Old portfolio***	4.2	6.0	0.2
Total	100.0%		6.0%

* Represent best estimates of geometric rates of return for each major asset class included.

** Illiquid portfolio upper limit of 27.5% of capital, no new commitments past 23%.

*** As of June 30, 2014, MOSERS was in the final stages of transitioning from a portfolio allocation consisting of 45% public equities, 30% public debt, and 25% alternative investments (old portfolio) to a new target allocation of 80% beta balanced and 20% illiquids.

Discount rate – The discount rate used to measure the total pension liability was 8.0 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from employers will be made at required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Board's proportionate share of the net pension liability to changes in the discount rate – The following presents the Board's proportionate share of the net pension liability calculated using the discount rate of 8.0 percent, as well as what the Board's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7.0 percent) or 1-percentage-point higher (9.0) than the current rate:

	2015		
	1% Decrease (7.0%)	Current Discount Rate (8.0%)	1% Increase (9.0%)
Board's proportionate share of the net pension liability	$ 1,131,307	$ 812,507	$ 526,796

	2014		
	1% Decrease (7.0%)	Current Discount Rate (8.0%)	1% Increase (9.0%)
Board's proportionate share of the net pension liability	$ 935,101	$ 602,887	$ 322,668

Pension plan fiduciary net position – Detailed information about the pension plan's fiduciary net position is available in the separately issued MOSERS financial report.

(c) Payables to the Pension Plan

The Board did not report any payables to MOSERS.

19. Change in Accounting Principle

For the fiscal year ended June 30, 2015, the Board implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. These statements established standards for measuring and recognizing liabilities, deferred outflows and inflows of resources, and expense/expenditures. As a result of the implementation, net position as of July 1, 2014, was restated as follows:

Net position, as previously reported	$ 87,093,145
Prior period adjustment	
Net pension liability (measurement date of June 30, 2013)	(803,103)
Deferred outflows	
Contributions during the fiscal year ended June 30, 2014	83,453
Total prior period adjustment	(719,650)
Net position, as restated	$ 86,373,495

Missouri Development Finance Board
Schedules of Required Supplementary Information

Schedule of the Board's Proportionate Share of the Net Pension Liability

	June 30, 2016*	June 30, 2015*
Board's proportion of the net pension liability	0.0256%	0.0256%
Board's proportionate share of the net pension liability	$ 812,507	$ 602,887
Board's covered-employee payroll	$ 489,820	$ 511,105
Board's proportionate share of the net pension liability as a percentage of its covered-employee payroll	165.88%	117.96%
Plan fiduciary net position as a percentage of the total pension liability	72.62%	79.49%

* Based on a measurement date and actuarial valuation as of the end of the preceding fiscal year.

Note: This schedule will ultimately contain 10 years of data.

Schedule of Board Contributions

	June 30, 2016*	June 30, 2015*
Required contribution	$ 83,122	$ 83,453
Contributions in relation to the required contribution	$ 83,122	$ 83,453
Contribution deficiency (excess)	$ -	$ -
Board's covered employee payroll	$ 489,820	$ 511,105
Contributions as a percentage of covered-employee payroll	16.97%	16.33%

* Based on a measurement date and actuarial valuation as of the end of the preceding fiscal year.

Note: This schedule will ultimately contain 10 years of data.

Notes to the Required Supplementary Information

Changes of Benefit Terms or Assumptions

Changes of Benefit Terms

There were no changes to benefit terms in the plan for the year ended June 30, 2015 and 2014.

Changes of Assumptions

There were no changes to assumptions in valuation reports for the year ended June 30, 2015, other than the assumption that there would be no pay increases for the fiscal year ending June 30, 2016, only. There were no changes to assumptions in valuation reports for year ended June 30, 2014.

SUPPLEMENTARY INFORMATION

This part of the Board's comprehensive annual financial report presents the Combining Schedules of Net Position; Combining Schedules of Revenues, Expenses, and Changes in Net Position; and Combining Schedules of Cash Flows for the Board's Parking Garage Fund for the Board's Parking Garage Fund and Revolving Loan Fund for fiscal years ended June 30, 2016 and 2015.

Parking Garage Fund

St. Louis Convention Center Hotel Garage Fund

The St. Louis Convention Center Hotel Garage (SLCCHG) is an 880-space garage located at 419 North 9th Street in downtown St. Louis. The Board constructed the garage to support the St. Louis Convention Center Hotel project. Activity related to the SLCCHG is reported in this column.

Ninth Street Garage Fund

The Ninth Street Garage (NSG) consists of a 1,050-space garage and 20,800 square feet of retail space located at 905-913 Olive Street in downtown St. Louis. The parking garage was constructed to support the renovation of the Old Post Office project and redevelopment of adjacent vacant buildings in downtown. Activity related to the NSG is reported in this column.

Seventh Street Garage MDFB Fund

The Seventh Street Garage MDFB (SSG) Fund reports SSG Board activity exclusive of the SSGPPC activity, as noted below. The SSG Fund reports activity associated with the redevelopment of floors 1 through 4 and loans indirectly tied to the redevelopment of this and adjacent properties.

Seventh Street Garage Public Parking Corporation Fund (blended component unit)

The Seventh Street Garage Public Parking Corporation (SSGPPC) Fund reports the activity of the 750-space parking garage located at 601 Locust Street in downtown St. Louis. The parking garage is located on floors 2 through 4 of a building commonly known as St. Louis Centre. The SSGPPC is a 501(c)(3) created to utilize the Federal New Markets Tax Credits (NMTCs) and is a qualified active low-income community business (QALICB) as required by NMTCs. SSGPPC leases the parking garage portion of the building from MDFB and owns the leasehold improvements and operates the garage.

Revolving Loan Fund

Missouri Infrastructure Development Loan Program Fund (MIDOC)

The MIDOC Fund presents activity from the MIDOC Loan Program. The MIDOC Loan Program offers long-term, low-interest loans to local political subdivisions, including public water and sewer districts, to fund infrastructure improvements. The program is structured as a revolving loan program with repayment proceeds used to provide additional loans for eligible infrastructure projects.

Small Business Loan Fund

The Small Business Loan (SBL) Fund shows activity from the Board's Small Business Loan Program. The SBL Program provides long-term, low-interest direct loans for small businesses located within the State of Missouri. Loans can be used to fund capital and operational needs.

Missouri Development Finance Board

Combining Schedule of Net Position
Parking Garage Fund | *June 30, 2016*

	St. Louis Convention Center Hotel Garage Fund	Ninth Street Garage Fund	Seventh Street Garage MDFB Fund	Seventh Street Garage Public Parking Corporation Fund	Total Parking Garage Fund
ASSETS					
Current assets:					
Cash and cash equivalents	$ 4,553,249	$ 4,577,287	$ 2,596,339	$ 2,632,463	$ 14,359,338
Current portion of loans and notes receivable	12,612	-	34,013	-	46,625
Accrued interest on investments	3,202	-	-	-	3,202
Accrued interest on loans and notes receivable	-	-	19,866	-	19,866
Interfund receivables	147,170	-	-	-	147,170
Prepaid expenses and other assets	24,164	156,166	-	972,102	1,152,432
Total current assets	4,740,397	4,733,453	2,650,218	3,604,565	15,728,633
Noncurrent assets:					
Restricted assets	1,375,000	-	500,000	656,291	2,531,291
Derivative instrument - interest rate cap agreement	-	-	362	-	362
Long-term portion of loans and notes receivable	17,840	-	28,812,056	-	28,829,896
Capital assets:					
Assets not being depreciated	4,705,000	2,514,739	-	101,229	7,320,968
Assets being depreciated, net	11,386,105	22,920,611	-	24,717,581	59,024,297
Total noncurrent assets	17,483,945	25,435,350	29,312,418	25,475,101	97,706,814
Total assets	22,224,342	30,168,803	31,962,636	29,079,666	113,435,447
DEFERRED OUTFLOWS OF RESOURCES					
Accumulated decrease in fair value of hedging derivatives	-	-	386,638	-	386,638
LIABILITIES					
Current liabilities:					
Accounts payable and other accrued liabilities	-	-	-	12,730	12,730
Accrued bond interest payable	849	-	29,217	22,878	52,944
Payable from restricted assets	-	-	-	14,058	14,058
Current portion of long-term debt	-	-	204,000	155,286	359,286
Total current liabilities	849	-	233,217	204,952	439,018
Noncurrent liabilities:					
Long-term debt	13,650,000	-	8,046,000	29,685,648	51,381,648
Unearned revenue	67,805	-	864,871	819,444	1,752,120
Total noncurrent liabilities	13,717,805	-	8,910,871	30,505,092	53,133,768
Total liabilities	13,718,654	-	9,144,088	30,710,044	53,572,786
NET POSITION					
Net investment in capital assets	2,441,105	25,435,350	(8,250,000)	(5,022,124)	14,604,331
Restricted					
Restricted for debt service	1,375,000	-	500,000	-	1,875,000
Restricted for program service fees	-	-	-	642,233	642,233
Unrestricted	4,689,583	4,733,453	30,955,186	2,749,513	43,127,735
Total net position	$ 8,505,688	$ 30,168,803	$ 23,205,186	$ (1,630,378)	$ 60,249,299

Missouri Development Finance Board

Combining Schedule of Net Position
Parking Garage Fund | *June 30, 2015*

	St. Louis Convention Center Hotel Garage Fund	Ninth Street Garage Fund	Seventh Street Garage MDFB Fund	Seventh Street Garage Public Parking Corporation Fund	Total Parking Garage Fund
ASSETS					
Current assets:					
Cash and cash equivalents	$ 3,643,306	$ 3,160,993	$ 2,806,756	$ 1,374,815	$ 10,985,870
Current portion of loans and notes receivable	-	-	26,962	-	26,962
Accrued interest on investments	7,918	-	15,059	-	22,977
Accrued interest on loans and notes receivable	-	-	19,889	-	19,889
Interfund receivables	177,105	-	-	-	177,105
Prepaid expenses and other assets	40,976	186,437	-	910,900	1,138,313
Total current assets	3,869,305	3,347,430	2,868,666	2,285,715	12,371,116
Noncurrent assets:					
Restricted assets	1,375,000	-	500,000	779,443	2,654,443
Derivative instrument - interest rate cap agreement	-	-	19,036	-	19,036
Long-term portion of loans and notes receivable	-	-	28,839,296	-	28,839,296
Capital assets:					
Assets not being depreciated	4,705,000	2,514,739	-	-	7,219,739
Assets being depreciated, net	11,717,506	23,665,662	-	25,354,378	60,737,546
Total noncurrent assets	17,797,506	26,180,401	29,358,332	26,133,821	99,470,060
Total assets	21,666,811	29,527,831	32,226,998	28,419,536	111,841,176
DEFERRED OUTFLOWS OF RESOURCES					
Accumulated decrease in fair value of hedging derivatives	-	-	367,964	-	367,964
LIABILITIES					
Current liabilities:					
Accounts payable and other accrued liabilities	-	-	8,861	-	8,861
Accrued bond interest payable	849	-	10,604	22,878	34,331
Payable from restricted assets	-	-	-	23,033	23,033
Current portion of long-term debt	-	-	195,000	-	195,000
Total current liabilities	849	-	214,465	45,911	261,225
Noncurrent liabilities:					
Long-term debt	13,650,000	-	8,250,000	29,840,934	51,740,934
Unearned revenue	66,846	-	877,496	852,778	1,797,120
Total noncurrent liabilities	13,716,846	-	9,127,496	30,693,712	53,538,054
Total liabilities	13,717,695	-	9,341,961	30,739,623	53,799,279
NET POSITION					
Net investment in capital assets	2,772,506	26,180,401	(8,445,000)	(4,486,556)	16,021,351
Restricted					
Restricted for debt service	1,375,000	-	500,000	-	1,875,000
Restricted for program service fees	-	-	-	756,410	756,410
Unrestricted	3,801,610	3,347,430	31,198,001	1,410,059	39,757,100
Total net position	$ 7,949,116	$ 29,527,831	$ 23,253,001	$ (2,320,087)	$ 58,409,861

Missouri Development Finance Board

Combining Schedule of Revenues, Expenses, and Changes in Net Position
Parking Garage Fund | *For the Year Ended June 30, 2016*

	St. Louis Convention Center Hotel Garage Fund	Ninth Street Garage Fund	Seventh Street Garage MDFB Fund	Seventh Street Garage Public Parking Corporation Fund	Total Parking Garage Fund
OPERATING REVENUES					
Parking garage revenues	$ 1,725,594	$ 1,752,011	$ -	$ 1,799,448	$ 5,277,053
Interest income on loans and notes receivable	1,187	-	343,522	-	344,709
Rental income	-	187,200	12,626	33,333	233,159
Other operating income	43,461	7,647	-	-	51,108
Administrative services revenue	-	-	30,000	-	30,000
Total operating revenues	1,770,242	1,946,858	386,148	1,832,781	5,936,029
OPERATING EXPENSES					
Depreciation and amortization	459,864	749,997	-	730,847	1,940,708
Parking garage operating expenses	549,991	550,708	-	485,204	1,585,903
Professional fees	28,121	7,100	9,113	108,306	152,640
Administrative services agreement	-	-	-	30,000	30,000
Office expenses	-	-	125	-	125
Travel	-	-	119	-	119
Miscellaneous	66	-	6	-	72
Total operating expenses	1,038,042	1,307,805	9,363	1,354,357	3,709,567
Operating income	732,200	639,053	376,785	478,424	2,226,462
NON-OPERATING REVENUE (EXPENSE)					
Interest on cash and return on investments	9,889	1,919	(28,297)	1,150	(15,339)
Other non-operating income	-	-	-	600,000	600,000
Bond interest expense	(16,262)	-	(393,653)	(274,537)	(684,452)
Bond expense	(169,255)	-	(2,650)	(115,328)	(287,233)
Total non-operating revenue (expense)	(175,628)	1,919	(424,600)	211,285	(387,024)
Total income (loss)	556,572	640,972	(47,815)	689,709	1,839,438
Change in net position	556,572	640,972	(47,815)	689,709	1,839,438
Net position – beginning	7,949,116	29,527,831	23,253,001	(2,320,087)	58,409,861
Net position – ending	$ 8,505,688	$ 30,168,803	$ 23,205,186	$ (1,630,378)	$ 60,249,299

Missouri Development Finance Board

Combining Schedule of Revenues, Expenses, and Changes in Net Position

Parking Garage Fund | *For the Year Ended June 30, 2015*

	St. Louis Convention Center Hotel Garage Fund	Ninth Street Garage Fund	Seventh Street Garage MDFB Fund	Seventh Street Garage Public Parking Corporation Fund	Total Parking Garage Fund
OPERATING REVENUES					
Parking garage revenues	$ 1,809,300	$ 1,616,911	$ -	$ 1,749,682	$ 5,175,893
Interest income on loans and notes receivable	-	-	344,616	-	344,616
Rental income	-	187,200	12,626	33,333	233,159
Other income	47,144	-	-	-	47,144
Administrative services revenue	-	-	30,000	-	30,000
Total operating revenues	1,856,444	1,804,111	387,242	1,783,015	5,830,812
OPERATING EXPENSES					
Depreciation and amortization	446,203	749,456	-	721,212	1,916,871
Parking garage operating expenses	626,575	583,309	2,740	477,750	1,690,374
Professional fees	58,575	7,825	38,143	-	104,543
Administrative services agreement	-	-	-	30,000	30,000
Office expenses	31	6	15,743	-	15,780
Travel	37	-	39	-	76
Miscellaneous	-	2	9,939	-	9,941
Total operating expenses	1,131,421	1,340,598	66,604	1,228,962	3,767,585
Operating income	725,023	463,513	320,638	554,053	2,063,227
NON-OPERATING REVENUE (EXPENSE)					
Interest on cash and investments	5,858	1,895	31,512	47	39,312
Bond interest expense	(13,344)	-	(122,052)	(274,537)	(409,933)
Bond expense	(156,047)	-	(2,680)	(133,178)	(291,905)
Contributions to others	-	-	(1,750,000)	-	(1,750,000)
Contribution to SSG (from) SSGPPC	-	-	62,503	(62,503)	-
Total non-operating revenue (expense)	(163,533)	1,895	(1,780,717)	(470,171)	(2,412,526)
Total income (loss)	561,490	465,408	(1,460,079)	83,882	(349,299)
INTERFUND TRANSFERS	-	-	1,750,000	-	1,750,000
Change in net position	561,490	465,408	289,921	83,882	1,400,701
Net position – beginning	7,387,626	29,062,423	22,963,080	(2,403,969)	57,009,160
Net position – ending	$ 7,949,116	$ 29,527,831	$ 23,253,001	$ (2,320,087)	$ 58,409,861

Missouri Development Finance Board

Combining Schedule of Cash Flows
Parking Garage Fund | *For Year Ended June 30, 2016*

	St. Louis Convention Center Hotel Garage Fund	Ninth Street Garage Fund	Seventh Street Garage MDFB Fund	Seventh Street Garage Public Parking Corporation Fund	Total Parking Garage Fund
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers and users	$ 1,801,136	$ 1,946,858	$ 373,546	$ 1,799,447	$ 5,920,987
Payments to suppliers	(561,366)	(527,537)	(18,224)	(671,982)	(1,779,109)
Net cash provided by operating activities	1,239,770	1,419,321	355,322	1,127,465	4,141,878
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Bond principal paid	-	-	(195,000)	-	(195,000)
Bond interest and fees paid	(185,517)	-	(384,470)	(398,840)	(968,827)
Acquisition of buildings and equipment	(128,462)	(4,946)	-	(195,280)	(328,688)
Receipt of other non-operating income	-	-	-	600,000	600,000
Net cash provided (used) by capital and related financing activities	(313,979)	(4,946)	(579,470)	5,880	(892,515)
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchases of investments	(2,498,500)	-	-	-	(2,498,500)
Maturities of investments	2,000,000	-	1,062,120	-	3,062,120
Interest on cash and return on investments	14,605	1,919	(13,238)	1,151	4,437
Disbursement of loan proceeds	(38,506)	-	-	-	(38,506)
Receipt of loan payments	8,053	-	26,969	-	35,022
Net cash provided (used) by investing activities	(514,348)	1,919	1,075,851	1,151	564,573
Net increase in cash and cash equivalents	411,443	1,416,294	851,703	1,134,496	3,813,936
Cash and cash equivalents - beginning	3,018,306	3,160,993	2,244,636	2,154,258	10,578,193
Cash and cash equivalents - ending	$ 3,429,749	$ 4,577,287	$ 3,096,339	$ 3,288,754	$ 14,392,129
Reconciliation of operating income to net cash provided by operating activities:					
Operating income	$ 732,200	$ 639,053	$ 376,785	$ 478,424	$ 2,226,462
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation and amortization expenses	459,864	749,997	-	730,847	1,940,708
Decrease in accrued interest on loans and notes receivable	-	-	23	-	23
(Increase) decrease in interfund receivables	29,935	-	-	-	29,935
(Increase) decrease in prepaid expenses and other assets	16,812	30,271	-	(61,202)	(14,119)
Increase (decrease) in accounts payable and other accrued liabilities	-	-	(8,861)	12,730	3,869
Increase (decrease) in unearned revenue	959	-	(12,625)	(33,334)	(45,000)
Total adjustments	507,570	780,268	(21,463)	649,041	1,915,416
Net cash provided by operating activities	$ 1,239,770	$ 1,419,321	$ 355,322	$ 1,127,465	$ 4,141,878
Reconciliation of cash and cash equivalents to the statement of net position:					
Cash and cash equivalents	$ 4,553,249	$ 4,577,287	$ 2,596,339	$ 2,632,463	$ 14,359,338
Restricted assets	1,375,000	-	500,000	656,291	2,531,291
Less: investments with original maturity of greater than 90 days	(2,498,500)	-	-	-	(2,498,500)
Total cash and cash equivalents	$ 3,429,749	$ 4,577,287	$ 3,096,339	$ 3,288,754	$ 14,392,129

Missouri Development Finance Board

Combining Schedule of Cash Flows
Parking Garage Fund | *For Year Ended June 30, 2015*

	St. Louis Convention Center Hotel Garage Fund	Ninth Street Garage Fund	Seventh Street Garage MDFB Fund	Seventh Street Garage Public Parking Corporation Fund	Total Parking Garage Fund
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers and users	$ 1,623,409	$ 1,804,111	$ 374,639	$ 1,749,682	$ 5,551,841
Payments to suppliers	(664,431)	(619,802)	(57,743)	(506,723)	(1,848,699)
Net cash provided by operating activities	958,978	1,184,309	316,896	1,242,959	3,703,142
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES					
Contributions to others	-	-	(1,750,000)	-	(1,750,000)
Interfund transfers	-	-	1,750,000	-	1,750,000
Contributions from SSGPPC to MDFB	-	-	62,503	(62,503)	-
Net cash provided (used) by noncapital financing activities	-	-	62,503	(62,503)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Bond principal paid	-	-	(189,000)	-	(189,000)
Bond interest and fees paid	(169,391)	-	(124,731)	(398,740)	(692,862)
Acquisition of buildings and equipment	(9,295)	(2,819)	-	(4,699)	(16,813)
Net cash used by capital and related financing activities	(178,686)	(2,819)	(313,731)	(403,439)	(898,675)
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchases of investments	(2,000,000)	-	(149,943)	-	(2,149,943)
Maturities of investments	-	-	149,943	-	149,943
Interest on cash and investments	(2,060)	1,895	41,443	46	41,324
Receipt of loan payments	-	-	26,702	-	26,702
Net cash provided (used) by investing activities	(2,002,060)	1,895	68,145	46	(1,931,974)
Net increase (decrease) in cash and cash equivalents	(1,221,768)	1,183,385	133,813	777,063	872,493
Cash and cash equivalents - beginning	4,240,074	1,977,608	2,110,823	1,377,195	9,705,700
Cash and cash equivalents - ending	$ 3,018,306	$ 3,160,993	$ 2,244,636	$ 2,154,258	$ 10,578,193
Reconciliation of operating income to net cash provided by operating activities:					
Operating income	$ 725,023	$ 463,513	$ 320,638	$ 554,053	$ 2,063,227
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation and amortization expenses	446,203	749,456	-	721,212	1,916,871
(Increase) decrease in accrued interest on loans and notes receivable	-	-	23	-	23
(Increase) decrease in interfund receivables	(177,105)	-	-	-	(177,105)
(Increase) decrease in prepaid expenses and other assets	20,787	(28,660)	-	16,922	9,049
Increase (decrease) in accounts payable and other accrued liabilities	-	-	8,861	(15,895)	(7,034)
Increase (decrease) in unearned revenue	(55,930)	-	(12,626)	(33,333)	(101,889)
Total adjustments	233,955	720,796	(3,742)	688,906	1,639,915
Net cash provided by operating activities	$ 958,978	$ 1,184,309	$ 316,896	$ 1,242,959	$ 3,703,142
Reconciliation of cash and cash equivalents to the statement of net position:					
Cash and cash equivalents	$ 3,643,306	$ 3,160,993	$ 2,806,756	$ 1,374,815	$ 10,985,870
Restricted assets	1,375,000	-	500,000	779,443	2,654,443
Less: investments with original maturity of greater than 90 days	(2,000,000)	-	(1,062,120)	-	(3,062,120)
Total cash and cash equivalents	$ 3,018,306	$ 3,160,993	$ 2,244,636	$ 2,154,258	$ 10,578,193

Missouri Development Finance Board

Combining Schedule of Net Position
Revolving Loan Fund | *June 30, 2016*

	MIDOC Fund	Small Business Loan Fund	Total Revolving Loan Fund
ASSETS			
Current assets:			
Current portion of loans and notes receivable	$ 113,047	$ 116,061	$ 229,108
Accrued interest on investments	2,599	-	2,599
Accrued interest on loans and notes receivable	14,680	-	14,680
Total current assets	130,326	116,061	246,387
Noncurrent assets:			
Restricted assets – cash available on loan	1,615,980	1,159,655	2,775,635
Long-term portion of loans and notes receivable	1,188,631	667,113	1,855,744
Total noncurrent assets	2,804,611	1,826,768	4,631,379
Total assets	2,934,937	1,942,829	4,877,766
LIABILITIES			
Current liabilities:			
Accounts payable and other accrued liabilities	749	70	819
Total current liabilities	749	70	819
Total liabilities	749	70	819
NET POSITION			
Restricted			
Restricted for revolving loan funds	2,934,188	1,942,759	4,876,947
Total net position	$ 2,934,188	$ 1,942,759	$ 4,876,947

Missouri Development Finance Board

Combining Schedule of Net Position
Revolving Loan Fund | *June 30, 2015*

	MIDOC Fund	Small Business Loan Fund	Total Revolving Loan Fund
ASSETS			
Current assets:			
Current portion of loans and notes receivable	$ 102,815	$ 116,061	$ 218,876
Accrued interest on investments	2,599	-	2,599
Accrued interest on loans and notes receivable	10,844	-	10,844
Total current assets	116,258	116,061	232,319
Noncurrent assets:			
Restricted assets – cash available on loan	1,591,952	975,173	2,567,125
Long-term portion of loans and notes receivable	1,173,672	833,298	2,006,970
Total noncurrent assets	2,765,624	1,808,471	4,574,095
Total assets	2,881,882	1,924,532	4,806,414
LIABILITIES			
Current liabilities:			
Accounts payable and other accrued liabilities	749	176	925
Total current liabilities	749	176	925
Total liabilities	749	176	925
NET POSITION			
Restricted			
Restricted for revolving loan funds	2,881,133	1,924,356	4,805,489
Total net position	$ 2,881,133	$ 1,924,356	$ 4,805,489

Missouri Development Finance Board

Combining Schedule of Revenues, Expenses, and Changes in Net Position
Revolving Loan Fund | *For the Year Ended June 30, 2016*

	MIDOC Fund	Small Business Loan Fund	Total Revolving Loan Fund
OPERATING REVENUES:			
Interest income on loans and notes receivable	$ 43,439	$ 17,144	$ 60,583
Other income	3,923	1,457	5,380
Total operating revenues	47,362	18,601	65,963
OPERATING EXPENSES:			
Professional fees	-	707	707
Office expenses	-	22	22
Miscellaneous	6	-	6
Total operating expenses	6	729	735
Operating income	47,356	17,872	65,228
NON-OPERATING REVENUE:			
Interest on cash and return on investments	5,699	531	6,230
Total non-operating revenue	5,699	531	6,230
Change in net position	53,055	18,403	71,458
Net position – beginning	2,881,133	1,924,356	4,805,489
Net position – ending	$ 2,934,188	$ 1,942,759	$ 4,876,947

Missouri Development Finance Board

Combining Schedule of Revenues, Expenses, and Changes in Net Position
Revolving Loan Fund | *For the Year Ended June 30, 2015*

	MIDOC Fund	Small Business Loan Fund	Total Revolving Loan Fund
OPERATING REVENUES:			
Interest income on loans and notes receivable	$ 38,031	$ 21,206	$ 59,237
Other income	3,079	23,806	26,885
Total operating revenues	41,110	45,012	86,122
OPERATING EXPENSES:			
Bad debt expense	750	802	1,552
Professional fees	-	24	24
Office expenses	3,595	50	3,645
Total operating expenses	4,345	876	5,221
Operating income	36,765	44,136	80,901
NON-OPERATING REVENUE:			
Interest on cash and return on investments	9,152	682	9,834
Total non-operating revenue	9,152	682	9,834
Change in net position	45,917	44,818	90,735
Net position – beginning	2,835,216	1,879,538	4,714,754
Net position – ending	$ 2,881,133	$ 1,924,356	$ 4,805,489

Missouri Development Finance Board

Combining Schedule of Cash Flows
Revolving Loan Fund | *For the Year Ended June 30, 2016*

	MIDOC Fund	Small Business Loan Fund	Total Revolving Loan Fund
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	$ 40,353	$ 17,144	$ 57,497
Payments to suppliers	(6)	(835)	(841)
Net cash provided by operating activities	40,347	16,309	56,656
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on cash and return on investments	5,699	531	6,230
Disbursement of loan proceeds	(205,000)	(14,369)	(219,369)
Receipt of loan payments	182,982	182,011	364,993
Net cash provided (used) by investing activities	(16,319)	168,173	151,854
Net increase in cash and cash equivalents	24,028	184,482	208,510
Cash and cash equivalents – beginning	584,262	975,173	1,559,435
Cash and cash equivalents – ending	$ 608,290	$ 1,159,655	$ 1,767,945
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	$ 47,356	$ 17,872	$ 65,228
Adjustments to reconcile operating income to net cash provided by operating activities:			
Adjustment to allowance for bad debt	(3,173)	(1,457)	(4,630)
Increase in accrued interest on loans and notes receivable	(3,836)	-	(3,836)
Decrease in accounts payable and other accrued liabilities	-	(106)	(106)
Total adjustments	(7,009)	(1,563)	(8,572)
Net cash provided by operating activities	$ 40,347	$ 16,309	$ 56,656
Reconciliation of cash and cash equivalents to the statement of net position:			
Restricted assets – MIDOC program funds	$ 1,615,980	$ -	$ 1,615,980
Less: investments with original maturity of greater than 90 days	(1,007,690)	-	(1,007,690)
Restricted assets – small business program funds	-	1,159,655	1,159,655
Total cash and cash equivalents	$ 608,290	$ 1,159,655	$ 1,767,945

Missouri Development Finance Board

Combining Schedule of Cash Flows
Revolving Loan Fund | *For the Year Ended June 30, 2015*

	MIDOC Fund	Small Business Loan Fund	Total Revolving Loan Fund
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	$ 42,051	$ 21,206	$ 63,257
Payments to suppliers	(3,596)	(754)	(4,350)
Net cash provided by operating activities	38,455	20,452	58,907
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of investments	(399,847)	-	(399,847)
Maturities of investments	399,847	-	399,847
Interest on cash and investments	12,748	682	13,430
Disbursement of loan proceeds	(100,000)	(267,961)	(367,961)
Receipt of loan payments	125,947	157,954	283,901
Net cash provided (used) by investing activities	38,695	(109,325)	(70,630)
Net increase (decrease) in cash and cash equivalents	77,150	(88,873)	(11,723)
Cash and cash equivalents – beginning	507,112	1,064,046	1,571,158
Cash and cash equivalents – ending	$ 584,262	$ 975,173	$ 1,559,435
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	$ 36,765	$ 44,136	$ 80,901
Adjustments to reconcile operating income to net cash provided by operating activities:			
Adjustment to allowance for bad debt	(3,079)	(23,806)	(26,885)
(Increase) decrease in accrued interest on loans and notes receivable	4,020	-	4,020
Increase (decrease) in accounts payable and other accrued liabilities	749	122	871
Total adjustments	1,690	(23,684)	(21,994)
Net cash provided by operating activities	$ 38,455	$ 20,452	$ 58,907
Reconciliation of cash and cash equivalents to the statement of net position:			
Restricted assets – MIDOC program funds	$ 1,591,952	$ -	$ 1,591,952
Less: investments with original maturity of greater than 90 days	(1,007,690)	-	(1,007,690)
Restricted assets – small business program funds	-	975,173	975,173
Total cash and cash equivalents	$ 584,262	$ 975,173	$ 1,559,435

Missouri Development Finance Board

A Component Unit of the State of Missouri

Comprehensive Annual Financial Report

For the Year Ended June 30, 2016

Statistical Section

Missouri Development Finance Board

A Component Unit of the State of Missouri

Comprehensive Annual Financial Report

For the Year Ended June 30, 2016

Statistical Section (Unaudited)

This part of the Board's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Board's overall financial health. The Board is a discretely presented component unit of the State of Missouri as defined by Government Accounting Standards Board (GASB) Statement No. 61, *The Financial Reporting Entity*. Based on GASB No. 61, some of the accompanying statistical section segments will include references to the State of Missouri. Such segments will be noted as such. All other information is to be deemed as attributable to the Board, and does not reflect the financial position and results of operations of the State.

Financial Trends – These schedules contain trend information to help the reader understand how the Board's financial performance and well-being have changed over time.

Net Position by Component 72-73
Expenses by Function 74-75
Expenses by Identifiable Activity 76-77

Revenue Capacity – These schedules contain information to help the reader assess the factors affecting the Board's ability to generate its own source income.

Revenues by Source 78
Other Changes in Net Position 79
Parking Garage Space and Rate Information – Principal Parking Garage Lessees 80-11
Parking Garage Revenue – Principal Parking Garage Leessees 82

Debt Capacity – These schedules present information to help the reader assess the affordability of the Board's current levels of outstanding debt and the Board's ability to issue additional debt in the future.

Pledged Revenue Coverage by Net Revenue Available 83
Pledged Revenue Coverage by Parking Capacity 84
Outstanding Debt by Type 85

Demographic and Economic Information – These schedules offer demographic and economic indicators to help the reader understand the environment within which the Board's financial activities take place. Due to the fact that the Board was established to serve the State of Missouri, and is a component unit as defined by Government Accounting Standards Board (GASB) Statement No. 61, The Financial Reporting Entity, demographic and economic information for the State of Missouri will be presented in this section.

Employment Statistics 86
Personal Income 87
Population Statistics 88
Privately Owned Housing Units Authorized by Building Permits 89
Major Employers 90

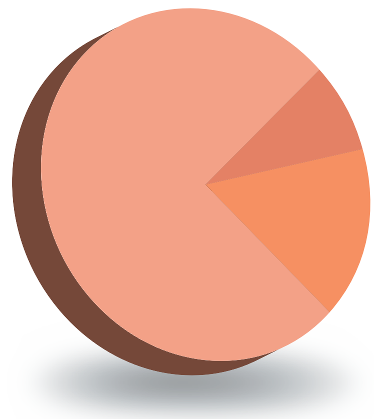
Operating Information – These schedules contain information about the Board's operations and resources to help the reader understand how the Boards' financial information relates to the services the Board provides and the activities it performs.

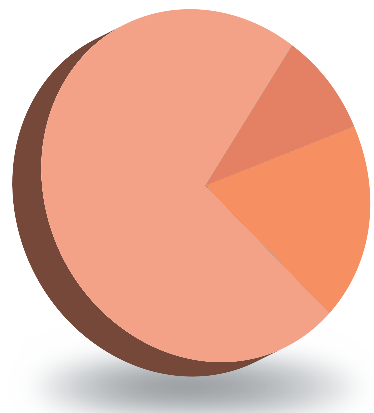
Employee Statistics, Projects Approved, and Capital Assets 91

Missouri Development Finance Board

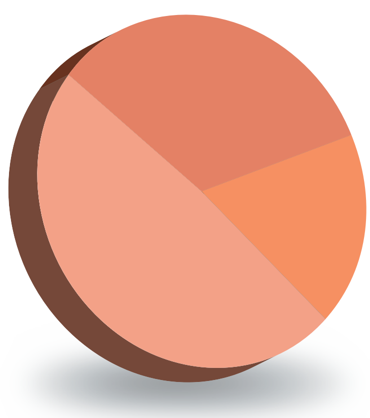
Schedule of Net Position By Component | *Fiscal Years 2007 to 2016*

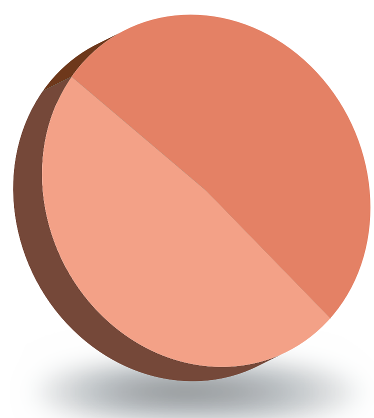
	2016		2015	
	$	%	$	%
Net investment in capital assets	$14,607,854	16.17%	$16,031,157	18.43%
Restricted	7,394,180	8.19	7,936,899	9.12
Unrestricted	68,327,150	75.64	63,036,142	72.45
	$90,329,184	100.00%	$87,004,198	100.00%





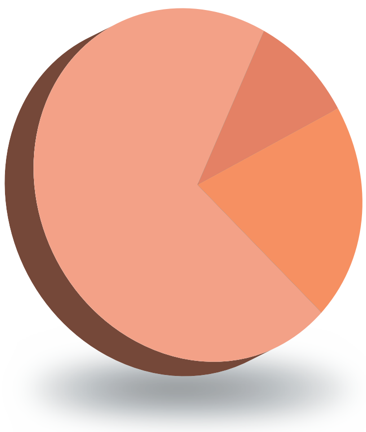
	2011		2010	
	$	%	$	%
Net investment in capital assets	$15,196,313	18.17%	$70,973	0.08%
Restricted	27,868,870	33.32	45,267,090	51.77
Unrestricted	40,567,366	48.51	42,097,604	48.15
	$83,632,549	100.00%	$87,435,667	100.00%

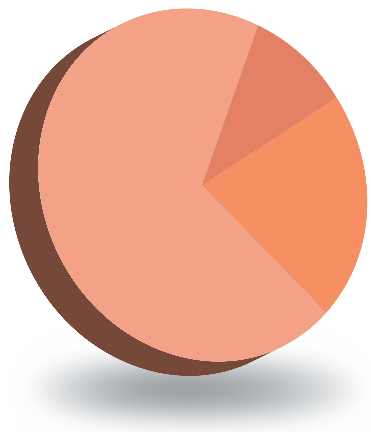


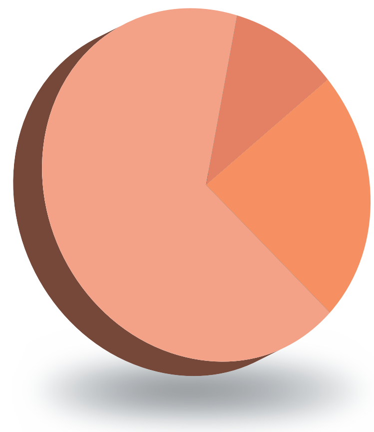


Note: Fiscal years 2010-2011 amounts have been restated to include the SSGPPC component unit.
Note: Fiscal years 2010-2012 unrestricted and total amounts have been restated due to the implementation of GASB No. 65.

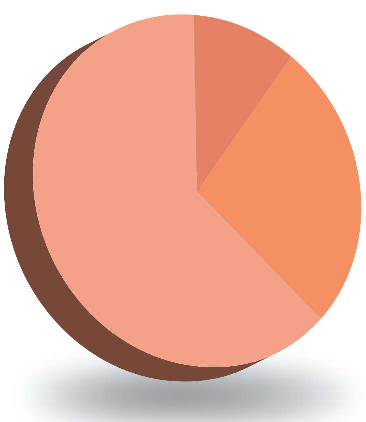
2014		2013		2012	
$	%	$	%	$	%
$17,753,127	20.38%	$17,801,907	21.30%	$19,499,463	23.20%
8,407,066	9.65	8,069,284	9.66	8,668,115	10.32
60,932,952	69.96	57,703,168	69.04	55,847,527	66.47
$87,093,145	100.00%	$83,574,359	100.00%	$84,015,105	100.00%

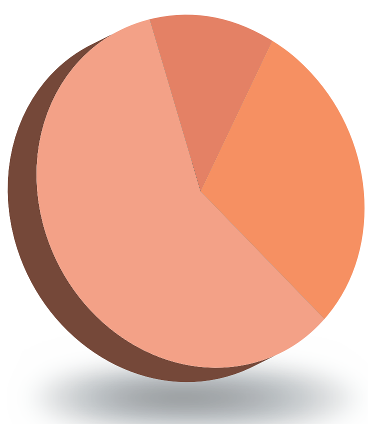


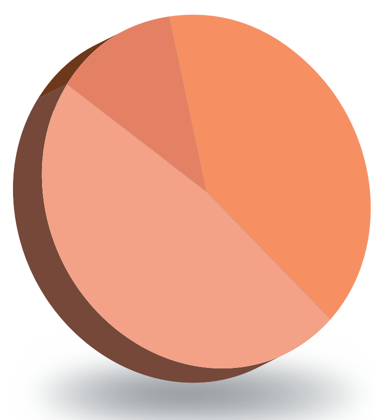




2009		2008		2007	
$	%	$	%	$	%
$20,069,761	26.78%	$20,321,656	29.36%	$30,561,762	40.18%
7,410,706	9.89	8,428,168	12.18	9,374,562	12.33
47,452,756	63.33	40,458,398	58.46	36,118,289	47.49
$74,933,223	100.00%	$69,208,222	100.00%	$76,054,613	100.00%



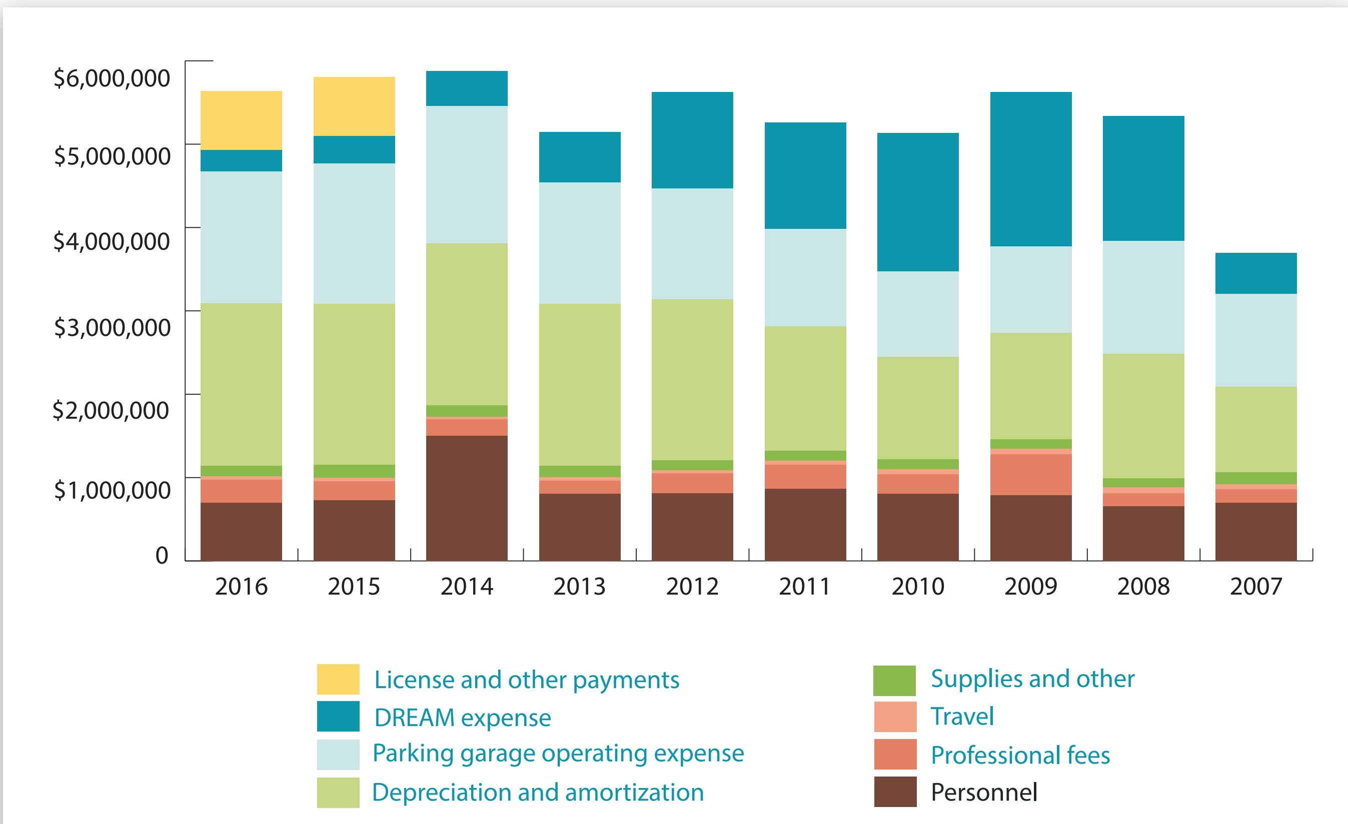




Missouri Development Finance Board

Schedule of Expenses by Function | *Fiscal Years 2007 to 2016*

	2016	2015	2014	2013	2012
Operating expenses					
Personnel	$ 700,913	$ 726,121	$ 784,481	$ 806,177	$ 811,731
Professional fees	274,227	232,300	195,910	155,546	238,806
Travel	36,361	38,662	29,058	37,872	36,678
Supplies and other	129,046	156,178	138,550	140,480	116,711
Depreciation and amortization	1,946,991	1,927,783	1,936,745	1,941,705	1,936,144
Parking garage operating expense	1,585,903	1,690,374	1,653,820	1,458,828	1,325,879
DREAM expense	256,040	326,289	419,632	603,238	1,158,332
Bad debt and miscellaneous	85,320	160,133	115,430[1]	120,642[2]	101,992[3]
License and other payments	705,540	705,655	-	-	-
Total operating expenses	5,720,341	5,963,495	5,273,626	5,264,488	5,726,273
Non-operating expenses					
Interest and bond expense	971,685	701,838	712,795	750,010	1,227,098
Research and development expense	-	-	-	-	-
Contributions to others	-	1,850,000	14,400	5,014,400	-
Total non-operating expenses	971,685	2,551,838	727,195	5,764,410	1,227,098
Total expenses	$ 6,692,026	$ 8,515,333	$ 6,000,821	$ 11,028,898	$ 6,953,371



	2011	2010	2009	2008	2007
Operating expenses					
Personnel	$ 863,310	$ 809,289	$ 786,596	$ 658,415	$ 697,353
Professional fees	291,826	233,485	490,168	155,086	161,182
Travel	47,448	59,337	67,536	70,355	58,646
Supplies and other	118,594	116,152	113,348	109,176	144,828
Depreciation and amortization	1,490,679	1,231,998	1,279,643	1,492,209	1,024,531
Parking garage operating expense	1,174,816	1,020,824	1,032,951	1,348,926	1,115,373
DREAM expense	1,272,301	1,663,518	1,856,262	1,501,079	495,312
Bad debt and miscellaneous	174,466[4]	97,642[5]	153,211[6]	126,076[7]	205,122[8]
License and other payments	-	-	-	-	-
Total operating expenses	5,433,440	5,232,245	5,779,715	5,461,322	3,902,347
Non-operating expenses					
Interest and bond expense	1,005,485	705,815	878,092	1,442,893	936,157
Research and development expense	-	35,350	-	-	-
Contributions to others	5,000,000	-	1,600,000	10,713,892	-
Total non-operating expenses	6,005,485	741,165	2,478,092	12,156,785	936,157
Total expenses	$ 11,438,925	$ 5,973,410	$ 8,257,807	$ 17,618,107	$ 4,838,504

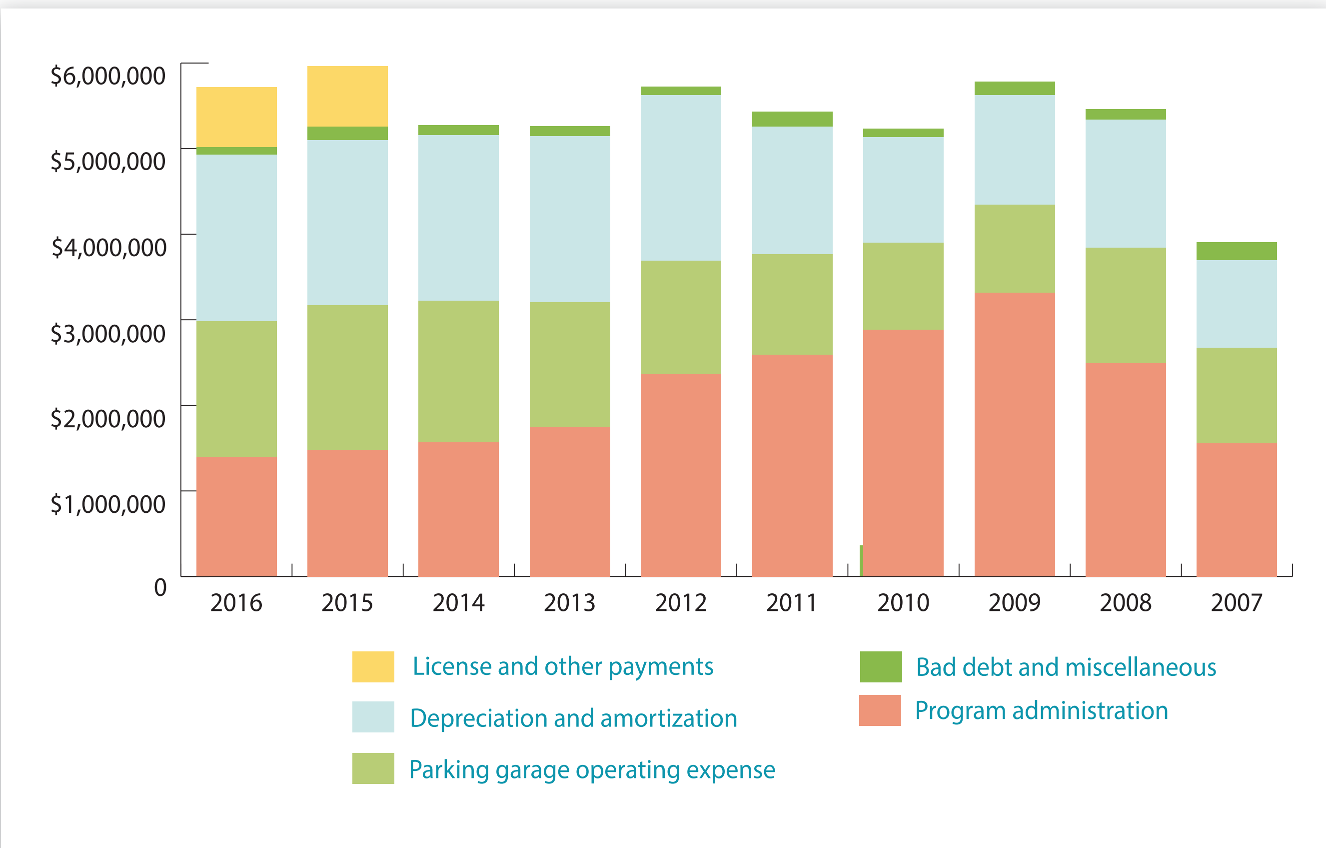
1 *Includes bad debt expense of $48,570*
2 *Includes bad debt expense of $31,341*
3 *Includes bad debt expense of $19,036*
4 *Includes bad debt expense of $111,013*
5 *Includes bad debt expense of $0*
6 *Includes bad debt expense of $80,001*
7 *Includes bad debt expense of $105,929*
8 *Includes bad debt expense of $138,806*

Note: Fiscal years 2010-2011 amounts have been restated to include the SSGPPC component unit.
Note: Fiscal years 2010-2012 unrestricted and total amounts have been restated due to the implementation of GASB No. 65.

Missouri Development Finance Board

Schedule of Expenses by Identifiable Activity | *Fiscal Years 2007 to 2016*

	2016	2015	2014	2013	2012
Operating expenses					
Program administration	$ 1,396,587	$ 1,479,550	$ 1,567,631	$ 1,743,313	$ 2,362,258
Parking garage operating expense	1,585,903	1,690,374	1,653,820	1,458,828	1,325,879
Depreciation and amortization	1,946,991	1,927,783	1,936,745	1,941,705	1,936,144
Bad debt and miscellaneous	85,320	160,133	115,430[1]	120,642[2]	101,992[3]
License and other payments	705,540	705,655	-	-	-
Total operating expenses	5,720,341	5,963,495	5,273,626	5,264,488	5,726,273
Non-operating expenses					
Interest and bond expense	971,685	701,838	712,795	750,010	1,227,098
Contributions to others	-	1,850,000	14,400	5,014,400	-
Total non-operating expenses	971,685	2,551,838	727,195	5,764,410	1,227,098
Total expenses	$ 6,692,026	$ 8,515,333	$ 6,000,821	$ 11,028,898	$ 6,953,371



	2011	2010	2009	2008	2007
Operating expenses					
Program administration	$ 2,593,479	$ 2,881,781	$ 3,313,910	$ 2,494,111	$ 1,557,321
Parking garage operating expense	1,174,816	1,020,824	1,032,951	1,348,926	1,115,373
Depreciation and amortization	1,490,679	1,231,998	1,279,643	1,492,209	1,024,531
Bad debt and miscellaneous	174,466[4]	97,642[5]	153,211[6]	126,076[7]	205,122[8]
License and other payments	-	-	-	-	-
Total operating expenses	5,433,440	5,232,245	5,779,715	5,461,322	3,902,347
Non-operating expenses					
Interest and bond expense	1,005,485	705,815	878,092	1,442,893	936,157
Contributions to others	5,000,000	-	1,600,000	10,713,892	-
Total non-operating expenses	6,005,485	741,165	2,478,092	12,156,785	936,157
Total expenses	$ 11,438,925	$ 5,973,410	$ 8,257,807	$ 17,618,107	$ 4,838,504

[1] *Includes bad debt expense of $48,570*
[2] *Includes bad debt expense of $31,341*
[3] *Includes bad debt expense of $19,036*
[4] *Includes bad debt expense of $111,013*
[5] *Includes bad debt expense of $0*
[6] *Includes bad debt expense of $80,001*
[7] *Includes bad debt expense of $105,929*
[8] *Includes bad debt expense of $138,806*

Note: Fiscal years 2010-2011 amounts have been restated to include the SSGPPC component unit.
Note: Fiscal years 2010-2012 unrestricted and total amounts have been restated due to the implementation of GASB No. 65.

Missouri Development Finance Board

Schedule of Revenues by Source | *Fiscal Years 2007 to 2016*

	2016	2015	2014	2013	2012
Operating revenues					
Participation fees – loan guarantees	$ -	$ -	$ -	$ -	$ -
Participation fees – private activity bonds	37,490	50,000	-	50,000	36,175
Participation fees – public activity bonds	78,679	89,471	147,608	428,732	226,951
Participation fees – notes receivable	5,000	-	-	-	-
Participation fees – tax credits	1,210,854	723,099	2,218,088	554,792	889,337
Participation fees – BUILD Missouri	896,984	612,698	743,302	3,724,025	479,239
Participation fees – MODESA	-	-	-	25,000	-
Interest income on loans and notes receivable	561,999	559,810	572,347	570,472	593,558
Rental income	233,159	233,159	233,159	233,159	233,060
Contractual income	-	11,250	74,444	70,000	70,000
DREAM revenues	-	5,698	68,663	271,426	554,527
Parking garage revenues	5,277,053	5,175,893	4,973,252	4,372,019	3,829,013
Other income	326,652	705,836	274,207	260,817	355,320
Sales tax revenues	705,540	705,655	-	-	-
Total operating revenues	9,333,410	8,872,569	9,305,070	10,560,442	7,267,180
Adjustment to allowance for notes receivable	-	-	-	-	-
Non-operating revenues					
Interest on cash and investments	83,603	273,467	214,537	27,710	68,747
Other non-operating income	600,000	-	-	-	-
Total non-operating revenues	683,603	273,467	214,537	27,710	68,747
Total revenues	$ 10,017,013	$ 9,146,036	$ 9,519,607	$ 10,588,152	$ 7,335,927

	2011	2010	2009	2008	2007
Operating revenues					
Participation fees – loan guarantees	$ -	$ -	$ -	$ -	$ 1,955
Participation fees – private activity bonds	47,500	115,000	158,160	137,750	251,000
Participation fees – public activity bonds	75,000	112,122	352,308	161,876	186,695
Participation fees – notes receivable	-	5,000	2,162	-	5,000
Participation fees – tax credits	1,227,639	2,787,360	1,498,369	2,443,355	1,912,449
Participation fees – BUILD Missouri	670,288	855,547	464,964	307,438	245,918
Participation fees – MODESA	-	-	-	25,000	-
Interest income on loans and notes receivable	932,215	289,535	160,837	316,786	432,415
Rental income	215,918	169,795	25,008	25,008	25,008
Contractual income	70,000	69,782	77,210	75,990	68,757
DREAM revenues	826,170	924,639	873,330	809,894	-
Parking garage revenues	3,106,486	2,599,226	3,080,901	3,623,164	2,743,209
Other income	239,999	234,503	43,362	311,728	373,565
Sales tax revenues	-	-	-	-	-
Total operating revenues	7,411,215	8,162,509	6,736,611	8,237,989	6,245,971
Adjustment to allowance for notes receivable	-	-	6,114,405	-	-
Non-operating revenues					
Interest on cash and investments	224,592	313,345	1,131,792	2,533,726	3,072,083
Other non-operating income	-	-	-	-	-
Total non-operating revenues	224,592	313,345	1,131,792	2,533,726	3,072,083
Total revenues	$ 7,635,807	$ 8,475,854	$ 13,982,808	$ 10,771,715	$ 9,318,054

Note: Fiscal years 2010-2011 amounts have been restated to include the SSGPPC component unit.
Note: Fiscal years 2010-2012 unrestricted and total amounts have been restated due to the implementation of GASB No. 65.

Missouri Development Finance Board

Schedule of Other Changes in Net Position | *Fiscal Years 2007 to 2016*

	2016	2015	2014	2013	2012
Income (loss) before other changes in net position	$ 3,324,987	$ 630,703	$ 3,518,786	$ (440,746)	$ 382,556
Contributed revenue	-	-	-	-	-
Total change in net position	$ 3,324,987	$ 630,703	$ 3,518,786	$ (440,746)	$ 382,556

	2011	2010	2009	2008	2007
Income (loss) before other changes in net position	$ (3,803,118)	$ 2,502,444	$ 5,725,001	$ (6,846,391)	$ 4,479,551
Contributed revenue	-	10,000,000	-	-	225,000
Total change in net position	$ (3,803,118)	$ 12,502,444	$ 5,725,001	$ (6,846,391)	$ 4,704,551

Missouri Development Finance Board

Parking Garage Space and Rate Information – Principal Parking Garage Lessees | *Fiscal Years 2007 to 2016*

	2016		2015		2014		2013	
	# of Leased Spaces	Monthly Rate	# of Leased Spaces	Monthly Rate	# of Leased Spaces	Monthly Rate	# of Leased Spaces	Monthly Rate
St. Louis Convention Center Hotel Garage Leases								
(880-space parking garage)								
800 Washington, LLC/Renaissance Grand Hotel*	275	$227	275	$167	275	$227	375	$123
Merchandise Mart*	20	105	12	105	18	105	20	105
Roberts Old School House Lofts, LP – reserved spaces	-	n/a	-	n/a	-	n/a	-	n/a
STL Loft Partners, LLC	65	130	65	130	65	130	40	125
Lennox Suites, LLC	50	37	-	n/a	-	n/a	-	n/a
	410		352		358		435	
Ninth Street Garage Leases								
(1,050-space parking garage)								
Court of Appeals – reserved spaces	13	$125	13	$115	13	$115	13	$115
Court of Appeals – unreserved spaces	20	105	20	99	20	99	20	99
Webster University – unreserved spaces	30	105	30	105	30	105	30	100
Frisco Associates – unreserved spaces	100	105	100	105	100	105	100	100
Pyramid Construction assigned to Paul Brown Developer, LP – reserved spaces	75	130	75	130	75	130	75	125
Roberts Old School House Lofts, LP – reserved spaces	-	n/a	-	n/a	-	n/a	-	n/a
913 Locust (Talley Properties, LLC) – unreserved spaces	-	n/a	-	n/a	-	n/a	-	n/a
917 Locust (Roberts Brothers Prop.) – reserved spaces	-	n/a	-	n/a	-	n/a	-	n/a
917 Locust (Roberts Brothers Prop.) – unreserved spaces	-	n/a	-	n/a	-	n/a	-	n/a
Syndicate Apartments – unreserved spaces	28	105	28	105	28	105	28	100
Syndicate Retail – unreserved spaces	42	105	42	105	42	105	42	100
SLT Tower Partners, LLC	150	130	100	130	100	130	-	n/a
	458		408		408		308	
Seventh Street Garage Leases								
(750-space parking garage)								
600 Tower, LLC – reserved spaces	89	$165	89	$165	85	$160	89	$160
600 Tower, LLC – unreserved spaces	386	140	386	140	380	135	293	130
U.S. Bank, NA – unreserved spaces	400	130	400	130	400	135	400	125
	875		875		865		782	
	1,743		1,635		1,631		1,525	

St. Louis Convention Center Hotel Garage began operations August 2002.
Ninth Street Garage began operations February 2007.
Seventh Street Garage began operations February 2011.

**Lease is written based on a minimum amount to be paid per fiscal year.*
New license agreement was signed May 2013 and is based on minimum monthly payments.
Monthly rate and # of leased spaces are estimated as of June 30 of fiscal year.

2012		2011		2010		2009		2008		2007	
# of Leased Spaces	Monthly Rate	# of Leased Spaces	Monthly Rate	# of Leased Spaces	Monthly Rate	# of Leased Spaces	Monthly Rate	# of Leased Spaces	Monthly Rate	# of Leased Spaces	Monthly Rate
375	$123	375	$123	375	$123	375	$123	375	$123	375	$123
20	105	20	105	20	105	20	105	20	105	20	105
50	125	32	125	75	125	75	125	75	125	75	125
-	n/a	-	n/a	-	n/a	-	n/a	-	n/a	-	n/a
-	n/a	-	n/a	-	n/a	-	n/a	-	n/a	-	n/a
445		427		470		470		470		470	
13	$115	13	$115	13	$105	13	$105	13	$105	13	$105
20	99	20	99	20	90	20	90	20	90	20	90
30	100	30	100	30	100	30	90	30	90	30	90
100	100	100	100	100	100	100	90	100	90	100	90
75	125	75	125	75	125	75	125	75	125	75	125
-	n/a	-	n/a	20	100	20	90	20	90	20	90
-	n/a	5	100	5	100	5	90	5	90	5	90
-	n/a	26	125	26	125	26	125	26	125	26	125
-	n/a	15	100	15	100	15	90	15	90	15	90
28	100	28	100	28	100	20	90	20	90	20	90
42	100	42	100	42	100	10	90	10	90	10	90
-	n/a	-	n/a	-	n/a	-	n/a	-	n/a	-	n/a
308		354		374		334		334		334	
85	$155	85	$155								
230	130	170	130								
400	125	400	125								
715		655									
1,468		1,436		844		804		804		804	

Missouri Development Finance Board

Parking Garage Revenues – Principle Parking Garage Lessees | *Fiscal Years 2016 and 2007*

	2016	% of Actual Parking Revenue	2007	% of Actual Parking Revenue
St. Louis Convention Center Hotel Garage				
800 Washington, LLC/Renaissance Grand Hotel	$ 750,000	14%	$ 554,282	20%
Merchandise Mart	25,000	0%	25,000	1%
STL Loft Partners, LLC	101,400	2%	112,500	4%
Lennox Suites, LLC	22,453	0%	-	0%
	898,853	16%	691,782	25%
Ninth Street Garage				
Court of Appeals	44,700	1%	18,990	1%
Webster University	37,800	1%	16,200	1%
Frisco Associates	126,000	2%	54,000	2%
Paul Brown Developer, LP	117,000	2%	56,250	2%
Roberts Lofts	-	0%	10,800	0%
913 Locust	-	0%	2,700	0%
917 Locust	-	0%	27,600	1%
Syndicate Apartments	35,280	1%	10,800	0%
Syndicate Retail	52,920	1%	5,400	0%
STL Tower Partners, LLC	234,000	4%	-	0%
	647,700	12%	202,740	7%
Seventh Street Garage				
600 Tower	824,700	15%	-	0%
U.S. Bank, NA	624,000	12%	-	0%
	1,448,700	27%	-	0%
Total Base	$ 2,995,253	55%	$ 894,522	33%
Actual Parking Garage Revenue	$ 5,277,053		$ 2,743,209	

Missouri Development Finance Board

Pledged Revenue Coverage by Net Revenue Available | *Fiscal Years 2007 to 2016*

	2016	2015	2014	2013	2012
Total operating and non-operating revenues	$ 10,017,013	$ 9,146,036	$ 9,519,607	$ 10,588,152	$ 7,335,927
Total operating and non-operating expenses	6,692,026	8,515,333	6,000,821	11,028,898	6,953,371
Net revenue available	$ 3,324,987	$ 630,703	$ 3,518,786	$ (440,746)	$ 382,556
Debt service					
Principal	$ 195,000	$ 189,000	$ 1,880,000	$ 172,000	$ 15,014,000
Interest[1]	684,452	409,933	424,743	429,760	739,314
Bond expenses	287,233	291,905	288,052	320,250	487,784
Total debt service	$ 1,166,685	$ 890,838	$ 2,592,795	$ 922,010	$ 16,241,098
Debt service coverage	2.85	0.71	1.36	(0.48)	0.02

	2011	2010	2009	2008	2007
Total operating and non-operating revenues	$ 7,635,807	$ 8,475,854	$ 13,982,808	$ 10,771,715	$ 9,318,054
Total operating and non-operating expenses	11,438,925	5,973,410	8,257,807	17,618,107	4,838,504
Net revenue available	$ (3,803,118)	$ 2,502,444	$ 5,725,001	$ (6,846,392)	$ 4,479,550
Debt service					
Principal	$ 255,000	$ 245,000	$ 1,000,000	$ -	$ -
Interest[1]	595,190	157,074	517,121	1,075,534	711,903
Bond expenses	410,295	548,741	360,971	367,358	224,254
Total debt service	$ 1,260,485	$ 950,815	$ 1,878,092	$ 1,442,892	$ 936,157
Debt service coverage	(3.02)	2.63	3.05	(4.74)	4.79

[1] *Interest does not include capitalized interest paid from bond proceeds.*

Note: Fiscal years 2010-2011 amounts have been restated to include the SSGPPC component unit.
Note: Fiscal years 2010-2012 unrestricted and total amounts have been restated due to the implementation of GASB No. 65.

Missouri Development Finance Board

Pledged Revenue Coverage by Parking Capacity | *Fiscal Years 2007 to 2016*

	2016	2015	2014	2013	2012
Garages					
Total number of operational garages[1]	3	3	3	3	3
Parking capacity per year[2]	978,200	978,200	978,200	978,200	978,200
Total debt outstanding	$ 51,740,934	$ 51,935,934	$ 52,124,934	$ 54,004,934	$ 54,176,934
Debt service					
Principal	$ 195,000	$ 189,000	$ 1,880,000	$ 172,000	$ 15,014,000
Interest[3]	684,452	409,933	424,743	429,760	739,314
Bond expense	287,233	291,905	288,052	320,250	487,784
Total debt service	$ 1,166,685	$ 890,838	$ 2,592,795	$ 922,010	$ 16,241,098
Daily required revenue per space to cover annual debt service	1.19	0.91	2.65	0.94	16.60

	2011	2010	2009	2008	2007
Garages					
Total number of operational garages[1]	3	2	2	2	3
Parking capacity per year[2]	978,200	704,450	704,450	704,450	887,315
Total debt outstanding	$ 69,190,934	$ 69,445,934	$ 30,850,000	$ 31,850,000	$ 31,850,000
Debt service					
Principal	$ 255,000	$ 245,000	$ 1,000,000	$ -	$ -
Interest[3]	595,190	157,074	517,121	1,075,534	711,903
Bond expense	410,295	548,741	360,971	367,358	224,254
Total debt service	$ 1,260,485	$ 950,815	$ 1,878,092	$ 1,442,892	$ 936,157
Daily required revenue per space to cover annual debt service	1.29	1.35	2.67	2.05	1.06

[1] *KCLG sold May 31, 2008.*
[2] *Calculated as total number of spaces x 365 days*
[3] *Interest does not include capitalized interest paid from bond proceeds*

Note: Fiscal years 2010-2011 amounts have been restated to include the SSGPPC component unit.
Note: Fiscal years 2010-2012 unrestricted and total amounts have been restated due to the implementation of GASB No. 65.

Missouri Development Finance Board

Outstanding Debt by Type | *Fiscal Years 2007 to 2016*

	2016	2015	2014	2013	2012
Bond debt					
Ninth Street Garage	$ -	$ -	$ -	$ -	$ -
Seventh Street Garage	8,250,000	8,445,000	8,634,000	8,814,000	8,986,000
St. Louis Convention Center Hotel Garage	13,650,000	13,650,000	13,650,000	15,350,000	15,350,000
Total bond debt outstanding	21,900,000	22,095,000	22,284,000	24,164,000	24,336,000
Notes payable					
Seventh Street Garage	29,840,934	29,840,934	29,840,934	29,840,934	29,840,934
Total debt	$ 51,740,934	$ 51,935,934	$ 52,124,934	$ 54,004,934	$ 54,176,934

	2011	2010	2009	2008	2007
Bond debt					
Ninth Street Garage	$ 15,000,000	$ 15,255,000	$ 15,500,000	$ 16,500,000	$ 16,500,000
Seventh Street Garage	9,000,000	9,000,000	-	-	-
St. Louis Convention Center Hotel Garage	15,350,000	15,350,000	15,350,000	15,350,000	15,350,000
Total bond debt outstanding	39,350,000	39,605,000	30,850,000	31,850,000	31,850,000
Notes payable					
Seventh Street Garage	29,840,934	29,840,934	-	-	-
Total debt	$ 69,190,934	$ 69,445,934	$ 30,850,000	$ 31,850,000	$ 31,850,000

Note: Fiscal years 2010-2011 amounts have been restated to include the SSGPPC component unit.
Note: Fiscal years 2010-2012 unrestricted and total amounts have been restated due to the implementation of GASB No. 65.

Missouri Development Finance Board

State of Missouri Demographic Statistics – Employment

(In Thousands Except Unemployment Rates Data)

Calendar Year	Civilian Labor Force	Total Employed	Total Unemployed	Missouri Unemployment Rate	U.S. Unemployment Rate
2015	3,128	2,989	139	4.4	5.0
2014	3,058	2,880	178	6.6	6.5
2013	3,066	2,850	216	7.1	7.7
2012	2,993	2,785	207	6.9	8.1
2011	3,022	2,767	255	8.4	8.9
2010	3,039	2,756	283	9.3	9.6
2009	3,068	2,779	289	9.4	9.3
2008	3,050	2,870	180	5.9	5.8
2007	3,049	2,895	154	5.0	4.6
2006	3,036	2,889	147	4.8	4.6
2005	3,011	2,850	162	5.4	5.1
2004	2,988	2,816	172	5.8	5.5
2003	2,979	2,814	166	5.6	6.0
2002	2,986	2,830	156	5.2	5.8
2001	3,003	2,868	135	4.5	4.7
2000	2,973	5,875	98	3.3	4.0
1999	2,911	2,820	91	3.1	4.2
1998	2,911	2,795	116	4.0	4.5
1997	2,904	2,780	124	4.3	4.9
1996	2,869	2,735	135	4.7	5.4
1995	2,822	2,690	132	4.7	5.6

Data Source: Missouri Economic Research and Information Center,
U.S. Department of Labor, Bureau of Labor Statistics

Missouri Development Finance Board

State of Missouri Demographic Statistics – Personal Income

Calendar Year	Missouri Total Personal Income (In Millions)	U.S. Total Personal Income (In Millions)	Missouri Per Capita Personal Income	U.S. Per Capita Personal Income	Missouri % Change From Prior Year	U.S. % Change From Prior Year
2015	$260,100	$15,324,109	$42,752	$47,669	3.0	4.4
2014	252,300	14,708,582	41,617	46,129	2.7	3.9
2013	241,145	14,081,242	39,897	44,543	1.8	2.6
2012	235,154	13,401,869	39,049	42,693	2.8	2.7
2011	228,218	12,949,905	37,969	41,560	4.3	4.4
2010	218,278	12,308,496	36,406	39,791	1.6	3.0
2009	213,630	11,852,715	35,837	38,637	-5.0	-5.6
2008	223,554	12,451,660	37,738	40,947	6.2	3.6
2007	209,131	11,900,562	35,521	39,506	4.4	4.7
2006	198,727	11,256,516	34,013	37,725	5.5	6.4
2005	186,753	10,476,669	32,253	35,452	2.7	4.6
2004	180,547	9,928,790	31,412	33,909	4.0	5.0
2003	172,529	9,369,072	30,218	32,295	3.2	2.6
2002	166,195	9,054,702	29,286	31,481	2.3	1.0
2001	161,545	8,878,830	28,637	31,157	2.7	2.8
2000	156,359	8,554,866	27,885	30,319	6.4	7.0
1999	145,826	7,906,131	26,218	28,333	3.1	3.9
1998	140,360	7,519,327	25,419	27,258	5.5	6.3
1997	132,117	6,994,388	24,104	25,654	5.3	5.0
1996	124,385	6,584,404	22,901	24,442	4.9	5.1
1995	117,418	6,194,245	21,832	23,262	3.8	4.3

Data Source: Missouri Economic Research and Information Center,
U.S. Department of Commerce, Bureau of Economic Analysis

Missouri Development Finance Board

State of Missouri Demographic Statistics – Population Statistics

Census Year	Population (In Thousands)	% Change	% of Total Urban	% of Total Rural
2010	5,989	7.0	70.44	29.56
2000	5,595	9.3	67.8	32.2
1990	5,117	4.1	68.7	31.3
1980	4,917	5.1	68.1	31.9
1970	4,677	8.3	70.1	29.9
1960	4,320	9.2	66.6	33.4
1950	3,955	4.5	61.5	38.5
1940	3,785	4.3	51.8	48.2
1930	3,629	6.6	51.2	48.8
1920	3,404	3.4	46.6	53.4
1910	3,293	6.0	42.3	57.7

Data Source: Missouri Economic Research and Information Center,
U.S. Department of Commerce, Bureau of the Census

Missouri Development Finance Board

State of Missouri Economic Data – Privately Owned Housing Units Authorized by Building Permits

Calendar Year	Number of Units	Valuation (In Thousands)
2015	18,344	$3,146,410
2014	16,003	2,682,665
2013	13,708	2,234,221
2012	12,297	1,878,836
2011	9,242	1,425,673
2010	9,699	1,430,224
2009	10,056	1,433,735
2008	13,273	1,889,739
2007	21,525	3,128,424
2006	29,172	4,086,728
2005	33,114	4,702,016
2004	32,791	4,286,161
2003	29,309	3,596,524
2002	28,255	3,186,632
2001	24,739	2,750,047
2000	24,321	2,569,405
1999	26,840	2,739,418
1998	25,657	2,424,875
1997	25,156	2,265,005
1996	26,298	2,275,667
1995	24,282	2,032,503

Data Source: Missouri Economic Research and Information Center,
U.S. Department of Commerce, Bureau of the Census

Missouri Development Finance Board

State of Missouri – *Major Employers 2015 and 2006*

2015

	Employer	Number of Employees	Percent of Total State Employment
1.	State of Missouri	60,000+	2.20%
2.	Wal-Mart Associates, Inc.	30,000+	1.47%
3.	University of Missouri	20,000-25,000	0.73%-0.92%
4.	MHM Support Services (Mercy Health)	20,000-25,000	0.73%-0.92%
5.	Washington University	15,000-20,000	0.56%-0.73%
6.	U.S. Post Office	10,000-15,000	0.36%-0.56%
7.	The Boeing Company	10,000-15,000	0.36%-0.56%
8.	Barnes-Jewish Hospital	7,500-10,000	0.27%-0.36%
9.	Department of Veterans Affairs	7,500-10,000	0.27%-0.36%
10.	SSM Health Care St. Louis	7,500-10,000	0.27%-0.36%
		197,500-230,000	7.22%-8.44%
	Total Statewide Employment	2,715,795	

2006

	Employer	Number of Employees	Percent of Total State Employment
1.	State of Missouri	65,000+	2.40%
2.	Wal-Mart Associates, Inc.	40,000+	1.48%
3.	University of Missouri	20,000-25,000	0.74%-0.92%
4.	U.S. Post Office	15,000-20,000	0.55%-0.74%
5.	Washington University	10,000-15,000	0.37%-0.55%
6.	The Boeing Company	10,000-15,000	0.37%-0.55%
7.	Schnuck Markets, Inc.	7,500-10,000	0.27%-.037%
8.	Department of Defense	7,500-10,000	0.27%-.037%
9.	Barnes-Jewish Hospital	7,500-10,000	0.27%-.037%
10.	Division of Adult Institutions	7,500-10,000	0.27%-.037%
		190,000-220,000	6.99%-8.12%
	Total Statewide Employment	2,698,999	

Data Source: Missouri Department of Economic Development/MERIC

Missouri Development Finance Board

Schedule of Employee Statistics | *Fiscal Years 2007 to 2016*

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Program Staff										
Full-time	3	3	4	4	4	5	5	5	5	4
Accounting Staff										
Full-time	2	2	2	3	3	3	3	2	2	2
Support Staff										
Full-time	2	2	2	2	2	2	2	2	2	2
Total Staff	7	7	8	9	9	10	10	9	9	8

Missouri Development Finance Board

Schedule of Projects Approved | *Fiscal Years 2007 to 2016*

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Bonds										
Private	2	1	-	1	1	4	2	3	7	5
Public	5	4	4	13	6	2	3	9	6	8
MIDOC	-	3	4	2	1	1	1	2	1	3
Tax Credits	6	6	9	3	6	2	3	9	12	6
BUILD	1	1	4	7	4	6	6	4	3	1
MODESA	-	-	-	1	-	-	-	-	-	-
DREAM	-	-	-	-	-	-	5	5	10	10
Small Business Loans	1	-	2	-	13	6	48	-	-	-
	15	15	23	27	31	21	68	32	39	33

Missouri Development Finance Board

Schedule of Capital Assets | *Fiscal Years 2007 to 2016*

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Office buildings	-	-	-	-	-	-	-	1	1	1
Garages[1]	3	3	3	3	3	3	2	2	2	3
Parking capacity	2,680	2,680	2,680	2,680	2,680	2,680	1,930	1,930	1,930	2,431

[1] *Kansas City Library Garage sold May 31, 2008. Fiscal year 2008 had 3 garages for 11 months out of the year.*

MDFB

MISSOURI DEVELOPMENT
FINANCE BOARD

Missouri Development Finance Board
P.O. Box 567
Governor Office Building
200 Madison Street, Suite 1000
Jefferson City, MO 65102
(573) 751-8479
www.mdfb.org